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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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Arizona Corporation Commission

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IN THE MATTER OF QWEST  
CORPORATION'S FILING AMENDED  
RENEWED PRICE REGULATION PLAN

DOCKET NO. T-01051B-03-0454

DOCKET NO. T-00000D-00-0672

IN THE MATTER OF THE  
INVESTIGATION OF THE COST OF  
TELECOMMUNICATIONS ACCESS

**QWEST CORPORATION'S  
RESPONSE TO STAFF'S MOTION TO  
COMPEL AND CROSS-MOTION FOR  
THE IMPOSITION OF DISCOVERY  
LIMITATIONS UPON STAFF**

Qwest Corporation ("Qwest") hereby responds to and opposes the motion to compel filed by Arizona Corporation Commission Staff ("Staff") in the above-captioned matter. Additionally, Qwest moves the Administrative Law Judge ("ALJ") for an order imposing discovery limitations upon Staff in this docket on a going-forward basis in the manner described herein.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. Factual Background**

On July 1, 2003, in accordance with the terms of the Price Cap Plan, Qwest timely filed an application requesting the revision of the Price Cap Plan. See Opinion and Order, *In the Matter of Qwest Corporation's Filing of Renewed Price Regulation Plan*, Docket No. T-01051B-03-0454, Decision No. 66772 (February 10, 2004) at 1 ("Decision No. 66772"). As part of this filing, Qwest advised the Commission and presented

1 evidence that revisions to the Price Cap Plan were necessary because: (i) conditions in the  
2 marketplace had changed dramatically since the Plan's adoption; and (ii) Qwest had  
3 suffered significant financial reversals, as well as the loss of subscribers, and could no  
4 longer continue under the Plan, due to the intensely competitive local  
5 telecommunications market. *Id.* at 1-2. Qwest provided its proposed revisions to the  
6 Price Cap Plan with its filing, which included:

- 7 i. Elimination of the productivity/inflation adjustment mechanism;
- 8 ii. Replacement of an indexed cap on Basket 1 services with a newly  
9 determined revenue cap;
- 10 iii. Introduction of a "competitive zone" test for moving services out of  
11 Basket 1 on a geographic basis;
- 12 iv. Ability to move wholesale services to a competitive sub-basket  
13 within Basket 2;
- 14 v. Elimination of the revenue cap on Basket 3 services; and
- 15 vi. Greater flexibility for Basket 3 services.

16 *Id.* at 1. In addition, Qwest submitted the information required under ¶ 4 of the  
17 Settlement Agreement in filing its proposal for the revision of the Price Cap Plan nine  
18 months prior to its expiration. In December 2003 and January 2004, Qwest provided  
19 Staff with updated information reflecting Qwest's current financial status. *See, e.g.,*  
20 Qwest Corporation's Notice of Filing Revised Updated Exhibits B and D to the Renewed  
21 Price Regulation Plan, dated January 16, 2004, *In the Matter of Qwest Corporation's*  
22 *Filing Amended Renewed Price Regulation Plan*, Docket No. T-01051B-03-0454.

23 On February 10, 2004, the Arizona Corporation Commission ("Commission")  
24 issued Decision No. 66772 ordering, in relevant part, Qwest to comply with the filing  
25 requirements of A.A.C. R14-2-103 and directing the Hearing Division to set an  
26 appropriate procedural schedule. Decision No. 66772 at 9. The Hearing Division

1 subsequently conducted two procedural conferences on February 23, 2004 and March 8,  
2 2004 respectively, to address different scheduling proposals made by Staff and Qwest.  
3 Procedural Order at 1-2 (March 15, 2004). Qwest, joined by AT&T, Worldcom and the  
4 Department of Defense ("DOD"), proposed a schedule designed to achieve a hearing of  
5 the matter in the fall of 2004 and a final decision from the Commission in late 2004 or  
6 early 2005. *Id.* at 2-3. By contrast Staff, joined by RUCO, proposed a schedule that  
7 essentially doubled Qwest's suggested deadlines for testimony and hearing. *Id.* Staff  
8 made clear in urging its proposed schedule that it viewed this docket as "comparable to a  
9 rate case, and thus, [Staff] require[s] a comparable time to make recommendations." *Id.*  
10 at 3.

11 The Hearing Division resolved the matter by concluding "it is important to the  
12 public interest, and not unreasonable, to attempt to conduct a hearing on Qwest's  
13 renewed Price Cap Plan more quickly than Staff proposes." *Id.* The Hearing Division  
14 reasoned that:

15 ...in adopting price cap regulation in 2001, one of the things the  
16 Commission intended was to establish procedures to act on modifications in  
17 the regulation plan more quickly and with greater flexibility than under  
18 traditional rate regulation. Our ability to be flexible is somewhat  
19 constrained by the holding of US West v. Ariz. Corp. Comm'n, 201 Ariz.  
20 242, 34 P.2d 351 (2001), which requires a finding of fair value when we  
approve rates, but we do not believe that holding necessarily requires a full  
rate case each time we modify the Price Cap Plan.

21 As a result, the Hearing Division ordered a procedural schedule that essentially split the  
22 difference between the parties' competing deadlines. *Id.* at 4. Consistent with this  
23 schedule, the Hearing Division encouraged the parties to begin discovery in advance of  
24 Qwest's future R14-2-103 filing. *Id.*

25 On May 20, 2004, Qwest made the requisite A.A.C. R14-2-103 filing,  
26 accompanied by the direct testimony of its witnesses. Procedural Order at 1-2 (July 1,

1 2004). Staff had conducted no discovery in advance of this filing despite the March 15<sup>th</sup>  
2 Procedural Order's recommendation. On June 21, 2004, Staff filed a letter of sufficiency  
3 accepting Qwest's filing as sufficient pending Qwest updating certain information. *Id.* at  
4 2. Qwest, in fact, filed revised schedules that same day to comply with Staff's request.  
5 *Id.*

6 Staff first began propounding data requests upon Qwest in early June 2004. It is  
7 important to note that in conducting such discovery, Staff and its testifying experts,  
8 William Dunkel & Associates ("Dunkel" or "WDA") and Utilitech, Inc. ("Utilitech" or  
9 "UTI"), independently served Qwest with their own separate sets of data requests.<sup>1</sup>  
10 Staff's written discovery currently totals 66 sets containing 740 individually numbered  
11 data requests. *See* Exhibit A. Even this number is misleading, as 37% of Staff's data  
12 requests include multiple questions designated as subparts.<sup>2</sup> *Id.* The actual number of  
13 written questions asked by Staff to date, including subparts, is 1631. *Id.* Thus, Staff has  
14 served Qwest with an average 21 data requests per working day (nearly three per hour).  
15 In return, Qwest has answered not only approximately 604 of Staff's data requests  
16 (including subparts), but provided Staff with well over half a million pages of documents  
17 and other information requested by Staff.<sup>3</sup> These figures do not include the other  
18 simultaneous discovery served upon Qwest by other parties in this docket as set forth in  
19 Exhibit B.

20 Staff began mischaracterizing Qwest's responsiveness to ongoing discovery as  
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22 <sup>1</sup> Throughout this response and cross-motion, Qwest's use of the term "Staff" shall mean not  
23 only Staff, but also their testifying experts, Dunkel and Utilitech, unless otherwise specified.

24 <sup>2</sup> For example, in Dunkel's 12<sup>th</sup> set of data requests, No. 12-001 has subparts (a) through (x) and  
25 No. 12-009 has subparts (a) through (t). In actuality, Dunkel's 12<sup>th</sup> set, which appears to only  
26 contain ten data requests, requires responses to 60 separate questions.

<sup>3</sup> Staff has also conducted 2 separate site visits in Denver and Phoenix on September 2, 2004 and  
September 9, 2004, respectively. Staff has requested a third site visit to be scheduled sometime  
in October. Additional information, vis-à-vis Staff interviews of Qwest employees and Staff's  
review of Qwest facilities and records, are provided during such site visits.

1 "untimely" as early as July 14, 2004 (only one month after Staff commenced discovery),  
2 prematurely suggesting that its ability to prepare its initial testimony within the 120-day  
3 time frame established in the March 15<sup>th</sup> and July 1<sup>st</sup> Procedural Orders would be  
4 "impeded." See Exhibit C (Letter of Timothy Sabo to Timothy Berg dated July 14,  
5 2004). Qwest immediately responded to Staff, refuting any such claims. See Exhibit D  
6 (July 19, 2004 letter of Timothy Berg to Timothy Sabo). Qwest raised a number of  
7 concerns with the manner and method in which Staff was conducting discovery,  
8 including but not limited to: (a) the unlimited number of requests; (b) the scope of such  
9 requests; (c) service of requests from multiple Staff sources without coordination; (d)  
10 special requests relative to particular formats, copies, confidential information, etc.; and  
11 (e) the timing of service of Staff discovery to effectively reduce Qwest's time for  
12 response. Nonetheless, Qwest agreed to certain, enumerated parameters to govern the  
13 production of responses and documents to Staff's data requests and special requests, in a  
14 good faith effort to expedite discovery and to avoid further dispute. *Id.* Staff did not  
15 respond to Qwest's concerns and continued discovery in the same manner as previously  
16 conducted.

17 It was not until September 8, 2004, before Staff responded to Qwest's July 21<sup>st</sup>  
18 correspondence, again complaining of the average length of Qwest's response time to  
19 certain Utilitech data requests. See Exhibit E (Letter of Maureen A. Scott to Timothy  
20 Berg dated September 8, 2004). In its letter, Staff described its discovery as  
21 "substantially constrained by the limited time available" and again intimating that its  
22 ability to meet the deadline for filing its testimony had been "adversely affected." *Id.*  
23 Qwest responded on September 17, 2004, disputing Staff's claims and providing more  
24 detail regarding the concerns outlined in its prior July 19<sup>th</sup> correspondence. See Exhibit F  
25 (September 17, 2004 letter of Timothy Berg to Maureen A. Scott). Nevertheless, Qwest  
26 reiterated its willingness to work with Staff on these issues and to improve the response

1 time to Utilitech's data requests. Staff's motion to compel followed.

2 Contrary to Staff's motion, there remain only 35 Utilitech responses and 4 Dunkel  
3 responses owed by Qwest to Staff that can be correctly characterized as "overdue."  
4 Responses to a number of the data requests identified in Staff's motion were, in fact,  
5 served on Staff prior to Staff's filing of that motion. Since the filing of Staff's motion,  
6 Qwest has served an additional 58 of the Utilitech and Dunkel data requests listed by  
7 Staff. *Id.* Every single entry on Exhibit B to Staff's motion reflects an incorrect due date  
8 for Qwest's service of its responses to Dunkel's data requests; most of due dates shown  
9 by Staff for the Utilitech data requests listed on pages 4-5 of Staff's motion are similarly  
10 wrong.<sup>4</sup> More importantly, Qwest has advised Staff that most of the remaining responses  
11 will be provided to Staff by no later than, Friday, October 1, 2004. Under these  
12 circumstances, the filing of a motion to compel by Staff is wholly unnecessary,  
13 particularly given the ongoing efforts of Qwest to provide Staff with the information it  
14 has requested.

## 15 **II. Argument**

16 It now appears that of the list of outstanding data requests listed by Staff on pages  
17 4-5 of its motion is not accurate. Only 46 of these data requests have yet to be answered,  
18 some of the responses are not untimely, and most of these will be completed by October  
19 1, 2004. It is important, however, to critically examine the Utilitech and Dunkel data  
20 requests cited by Staff. Most of the requests relate to information to be used in  
21 presenting a full rate case for Qwest, and not for addressing the issues actually presented  
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23 <sup>4</sup> Generally these errors lengthen the time in which Qwest allegedly responded to achieve an  
24 inaccurate impression of tardiness. Some of the "mistakes" reflected on Staff's Exhibit B are, on  
25 their face, plainly wrong. For example, Staff's Exhibit B states that Qwest's responses to  
26 WDA's 11<sup>th</sup> set of data requests as due on the same day Qwest received them (*i.e.*, September 3,  
2004), rather than allowing for the requisite 10-day response time. Qwest provides a corrected  
version of Staff's Exhibit B and its Utilitech list with this response and cross-motion. See  
Exhibit G.

1 by the Commission's consideration of the amendment and/or renewal of the Price Cap  
2 Plan. It is true that Qwest has not previously objected to such requests, but has continued  
3 to respond and work with Staff in the spirit of full disclosure and good faith. However,  
4 Staff's direct attempts to have this proceeding litigated as a full rate case have been  
5 repeatedly challenged by Qwest. Many of Staff's data requests would go beyond the  
6 bounds of reasonableness even in a full rate case. In a proceeding that is designed to  
7 evaluate the amendment, renewal or termination of the Price Cap Plan, they are totally  
8 inappropriate and unduly burdensome.

9 Staff can no longer be permitted to continue to conduct discovery on matters  
10 beyond the scope of this proceeding. Such conduct creates skyrocketing rate case  
11 expenses and precludes the Commission from effectively resolving such dockets for  
12 several years. This does not serve the best interests of ratepayers, utilities or the  
13 Commission, and particularly in this case for the following reasons.

14 Staff will undoubtedly argue that it requires answers to all of its data requests so  
15 that it can conduct a full evaluation of Qwest's A.A.C. R14-2-103 filing, as it would in a  
16 rate case. As discussed *infra*, much of the discovery undertaken by Staff is unnecessary  
17 even applying this standard. Further, the full rate case process sought by Staff is a  
18 vestige of monopoly regulation for traditional utility services that is inconsistent with a  
19 competitive marketplace. There is nothing in the Arizona Constitution that mandates the  
20 Commission use a traditional rate case when dealing with the provision of competitive  
21 telecommunications services. *US WEST Communications, Inc. v. Arizona Corporation*  
22 *Comm'n*, 201 Ariz. 242, 34 P.3d 1 (2001). Further, the rationale behind the  
23 Commission's adoption of the Price Cap Plan in 2001 was to replace the cumbersome  
24 and costly rate of return "regulation mode" with a new regime that would promote  
25 competition, efficiency and consumer choice. *See In the Matter of the Application of US*  
26 *West Communications, Inc.*, Transcript of Open Meeting, Vol. I at 13 (Mar. 7, 2001)

1 (comments of Commissioner Spitzer). *See also, id.* at 18 (comments of Chairman  
2 Mundell).

3 As the Supreme Court made clear in *US WEST*, although the Commission must  
4 determine and consider fair value, it is not limited to the mechanical exercise of cranking  
5 fair value through an equation to produce a single revenue requirement that serves as the  
6 basis of all rates set for a public service corporation in a competitive market. The  
7 purpose of the adoption of the Price Cap Plan was to move to new rate setting methods  
8 that are appropriate in a competitive environment. The Price Cap Plan was intended to  
9 move away from traditional regulation. The Settlement Agreement and Price Cap Plan  
10 approved and adopted by the Commission provided an expedited method for the  
11 consideration of any renewal or revision of that Plan.

12 Contrary to Staff's view, these procedures are not limited to only a renewal or  
13 revision of the Plan that does not result in any rate changes or increases. Given that the  
14 Plan was an experiment and might require revision in a number of ways, the parties  
15 devised a streamlined method to consider both renewal and revision. It was not the  
16 parties' intent, after the term of the Plan expired, for the Commission to revert back  
17 automatically to rate-of-return regulation (*i.e.*, a full revenue requirement). If this had  
18 been the parties' intent, it would have been simple to require Qwest to file a full rate case  
19 either one year or nine months before the expiration of the Plan.

20 Qwest submitted an A.A.C. R14-2-103 filing that demonstrated a revenue  
21 requirement of \$322 million on an original cost rate base and \$459 million on a fair value  
22 rate base. However, Qwest did not request rate increases calculated to produce this  
23 revenue. Rather, Qwest recommended: (1) revisions to the existing Price Cap Plan to  
24 make it work more effectively; (2) minor rate rebalancing that produced approximately  
25 \$2.3 million (net of a decrease in access charges) and (3) implementation of  
26 competitively-neutral universal service support for telephone subscribers located in high



1 cost areas.

2 Staff's discovery completely misses this point. Virtually all the discovery served  
3 by Utilitech and most of the discovery served by Dunkel relates to Qwest's calculation of  
4 its \$322 million revenue requirement. In what amounts to an extensive and wide  
5 reaching audit, Staff has demanded that Qwest provide massive amounts of low level  
6 detail concerning expenditures not only during the test year but also several years before<sup>5</sup>  
7 and all months after it.

8 For example, Qwest did not file an application under A.A.C. R14-2-102 for a  
9 change in its depreciation lives. Instead, it proposed an adjustment that reduces the  
10 revenue requirement of \$100 million to reflect changes in depreciable asset gross  
11 investment and reserve level balances since Qwest's last rate case. Nevertheless, in  
12 discovery, Staff demanded that Qwest provide a depreciable asset observed life study.<sup>6</sup>  
13 The only reason for such a study is so that Staff can support a proposal to change the  
14 lives the Commission prescribed for Qwest's depreciable assets in Docket No. 62507.<sup>7</sup>

15 When it last set depreciation rates, the Commission concluded that any  
16 depreciation lives adopted for Qwest should be within the range of lives used by Qwest's  
17 competitors. Decision No. 62507, *In the Matter of the Application of U S WEST*  
18 *Communications, Inc. for Changes in its Depreciation Rates*, Docket No.  
19 T-1051-97-0689 at 14 (May 4, 2000). Observed life studies tell Staff nothing about the  
20 asset lives used by Qwest's competitors. Yet Staff has conducted absolutely no discovery  
21 concerning the asset lives used by Qwest's Arizona competitors, including whether  
22 Qwest's competitors rely on observed life studies to establish their depreciable asset  
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24 <sup>5</sup> In WDA 1-005 and WDA 1-006, Staff requested data for all years from 1983 to 2003.

25 <sup>6</sup> See WDA 2-006.

26 <sup>7</sup> For purposes of establishing its own depreciation lives, Qwest does not prepare observed life studies because they are not useful to establish asset lives outside a permanent monopoly environment where the monopoly controls the pace at which new technology is deployed.

1 lives. Instead, Staff insisted on Qwest expending considerable resources to conduct an  
2 observed life study.

3       It is clear that Staff is preoccupied with Qwest's revenue requirement. Staff's  
4 discovery evidences its unwavering intent to treat this proceeding as a traditional  
5 monopoly-utility cost-of-service rate case with exhaustive discovery and auditing of test  
6 year expenses and revenues. The course Staff has set imposes huge demands on Qwest  
7 for resources as the Company struggles to muster the personnel necessary to answer a  
8 myriad of questions on a wide array of issues. This very burdensome, resource-intensive  
9 process is exactly what the Price Cap Plan and the Settlement Agreement were designed  
10 to avoid.

11       A monopoly-utility cost-of-service case is hardly the best way to determine if the  
12 original Price Cap Plan worked in the manner the parties intended. The impact of the  
13 Price Cap Plan is clear. Hardcapped rates in Basket 1, including basic residential and  
14 business rates, did not increase over the life of the Plan. Other rates for Basket 1 services  
15 decreased by \$61.8 million in the aggregate between the adoption of the Price Cap Plan  
16 and April 1, 2004. Qwest's charges for intrastate access were reduced \$15 million over  
17 the initial term of the Price Cap Plan. Additionally, the Commission reduced Qwest's  
18 rates for wholesale services in proceedings specifically designed to address such issues.  
19 It does not require a full rate case to determine whether the Plan was a success from the  
20 point of view of Qwest's customers, and Qwest has already provided sufficient financial  
21 information for the Commission to determine the impact of the Plan on Qwest.

22       Moreover, the inflation/productivity adjustment contained in the original Price  
23 Cap Plan was not based on Qwest's revenue requirement, but rather was a negotiated  
24 figure determined from Qwest's historic and unadjusted financial results. Qwest  
25 provided the Commission with the current unadjusted financial data necessary to  
26 compute a current productivity factor in this docket during July 2003. Qwest has filed

1 extensive financial information in this docket and from this information the Commission  
2 can determine Qwest's financial condition. A monopoly utility cost-of-service rate case  
3 and revenue requirement analysis would be appropriate if Qwest were seeking to recover  
4 the revenue requirement set forth in it's A.A.C. R14-2-103 filing and explained in the  
5 testimony of Mr. Grate. However, Qwest has not asked for such rates; it has proposed  
6 revisions to the price cap plan that can be evaluated readily without reference to a  
7 revenue requirement.

8       Of the two data requests to which Qwest has objected, Qwest and Staff have  
9 conferred and reached agreement on UTI 11-17. Qwest will provide Staff with the  
10 amount of legal expense allocated to Arizona for the firms listed, as well as a summary  
11 description of the type of work performed. With respect to UTI 11-14, Qwest's objection  
12 stands. In Arizona, the amount of cash taxes paid by a parent company on its  
13 consolidated income tax return has never been treated as reasonably related to the  
14 development of an intrastate regulated revenue requirement for a separate public service  
15 corporation. Staff claims that such information is necessary so it can now make an  
16 "equitable adjustment" because Qwest's tax provision provides positive cash flow to the  
17 parent. Staff's interest in an "equitable adjustment" underscores Staff's preoccupation  
18 with adjusting Qwest's revenue requirement, even at the cost of departing from  
19 long-established ratemaking practice in Arizona. Notwithstanding its objection, Qwest  
20 does not have possession or control of the data sought by Staff.

21       Qwest disagrees with any characterization of its responsiveness to Staff's  
22 discovery in this matter as untimely. As discussed above, Qwest receives numerous data  
23 requests from multiple parties, and not just Staff (e.g., RUCO, DOD, AT&T, etc.). Both  
24 Staff and its testifying experts independently serve Qwest with one or more of their own  
25 sets of data requests. It is not unusual for Qwest to receive sets of data requests from  
26 Staff, Dunkel and Utilitech all on the same day and/or consecutively so that the stream of

1 new discovery is not only constant, but almost daily. Many of the data requests served  
2 contain multiple subparts, sometimes doubling the actual number of questions to be  
3 answered. Service of such requests continues to occur at the close of the business day  
4 and almost every Friday, effectively reducing what is already a short response time (*i.e.*,  
5 four of the ten days permitted for response fall on a weekend). In short, Staff and its  
6 consultants have jointly served Qwest with on average 21 data requests per working day  
7 (nearly 3 per hour) since the commencement of discovery in this docket. In fact, on  
8 August 12, 2004, Qwest's computerized Arizona database, which tracks and retains such  
9 requests and responses, failed completely due to its having exceeded storage capacity.<sup>8</sup>  
10 Frankly, at this time, Staff's discovery does not appear to be nearing any sort of  
11 conclusion as one might reasonably expect given the procedural schedule currently set in  
12 this matter.

13 A comparison with Staff's discovery in Qwest's 1999 rate case is telling. That  
14 rate case continued for approximately two years; during the mid-way point, Qwest was  
15 required to "update" its filings through the use of a new test year. At that juncture,  
16 discovery recommenced and revised testimony was filed, as if a new rate case had begun.  
17 Qwest had hoped that Staff would understand the volume of discovery in this docket  
18 should not approximate what occurred in 1999. Staff has already received as many  
19 responses to its data requests from Qwest, including subparts, as it did in the 1999 rate  
20 case. Even if one accepts Staff's calculations for purposes of comparing the number of  
21 data requests served in 1999 with this docket, Staff has reached the half-way mark of  
22 what, in the 1999 docket, essentially amounted to two rates cases rolled up into one.

23 When able to do so, Qwest has responded timely, if not early, to Staff's data  
24 requests. However, the manner and method in which Staff has conducted discovery as

25 \_\_\_\_\_  
26 <sup>8</sup> Such a system overload is unprecedented in Qwest's experience and has never previously  
occurred in any other rate cases conducted throughout Qwest's 14-state region.

discussed would significantly impede any party's ability to answer in ten calendar days. The following examples are for illustrative purposes to demonstrate such continuing and pervasive problems:

- It is common for Staff to issue multiple data requests for the same information or to ask for information previously in testimony or otherwise. *See, e.g.* STF 27-001, UTI 6-007, UTI 6-017, UTI 11-009, UTI 12-018, UTI 13-011, WDA 10-008 (e) and (k), WDA 10-012(e), WDA 10-16 (g) and (h), WDA 11-012.

- Qwest now finds itself frequently responding to data requests by pointing out that the information requested has been previously provided and identifying the prior request/response. *See, e.g.*, UTI 08-019, UTI 11-005, UTI 11-006; UTI 11-018; UTI 12-001; STF 17-007; WDA 8-019.

- Staff often requests information that is outside of the test year or that relates to Qwest services outside of Arizona. *See, e.g.*, STF 3-006, UTI 8-002, UTI 4-032, UTI 7-013, UTI 13-002, UTI 15-002, UTI 15-003, UTI 15-010, UTI 15-016, UTI 16-014, WDA 10-006.

- On occasions, Qwest will ask Staff to review a request to determine whether the scope of the request can be narrowed or terms therein clarified, so as to focus on relevant information or data. Staff will later complain that it has not received a response to the data request, despite the fact that Staff has not responded to Qwest's request for a clarification or reconsideration of the scope of the information sought of by Staff. *See, e.g.*, WDA 7-001, WDA 7-002, WDA 7-003, WDA 7-004, WDA 7-006, WDA 7-007, UTI 6-013.

- Staff will often serve data requests upon Qwest that do not seek information, but rather require Qwest to conduct what should in fairness be Staff's analysis of data previously provided by Qwest. *See, e.g.*, STF 7-005, STF 30-001.

- Many of Staff's data requests are needlessly complex and interdependent. The inclusion of multiple subparts in a single request creates numerous problems (aside from the misimpression of the amount of discovery actually propounded). Qwest may, in fact, answer many subparts to a request; however, Staff will treat the request as "tardy" while Qwest continues to research answers to other subparts. *See, e.g.*, UTI 14-003,

1 WDA 10-08 (a) through (m), WDA 10-012 (a) through (g), WDA 10-015  
2 (a) through (h), WDA 10(C)-018 (a) through (k), WDA 11-002 (a) through  
3 (g) multiplied by 10. In many instances, Qwest cannot begin to research  
4 and answer later portions of a request until earlier subparts have been  
5 answered.

6 • Serving multiple sets of numerous data requests late in the day or on  
7 Fridays effectively shortens the time in which a party has to prepare  
8 meaningful responses. *See, e.g.,* UTI's 13<sup>th</sup> Set (received after 5:00 p.m.)  
9 and UTI's 17<sup>th</sup> Set (served on a Friday). STF Sets 19 through 22, UTI Set  
10 11, and Dunkel Sets 6 through 8—a total of 8 sets of discovery—were due  
11 on the same day.

12 • On multiple occasions, Staff and its consultants have requested  
13 highly confidential, CLEC-specific information, which requires the  
14 CLEC's authorization prior to release. Although Qwest has asked for such  
15 releases, it cannot be viewed as being non-responsive or tardy when  
16 authorizations are untimely or not received at all. *See, e.g.,* STF 19-001  
17 and STF 26-001.

18 • Staff will also request that certain information be provided in a  
19 particular format, only to subsequently request that Qwest produce the  
20 same information in a different format, not due to any deficiency in the first  
21 response, but simply because Staff has changed its mind concerning its  
22 preference. *See, e.g.,* STF 18-001, STF 19-001, STF 19-002, STF 25-001,  
23 STF 29-001.

24 The Commission and the Hearing Division should begin to recognize that  
25 discovery demands in rate cases, such as this one, now exceed the course of discovery  
26 conducted in even the most complex of Arizona civil litigation. For example, a party  
typically is not permitted to serve discovery from multiple sources (*i.e.*, its legal counsel,  
its retained testifying experts, etc.), and to serve an apparently unlimited number of data  
requests (with subparts) as issued by Staff and its consultants. Limits on the scope and  
amount of discovery to be propounded, and reasonable time frames for responding to  
extensive discovery from multiple parties are also customary in complex litigation. Such  
litigation reforms, as originally advanced by Justice Zlaket and currently under

1 consideration in the Committee for Complex Litigation, do not inhibit a party from  
2 obtaining the information necessary to present his or her case in a timely manner.<sup>9</sup>  
3 Responses to interrogatories that are provided even within the "19.4 day average" of  
4 which Staff complains would be considered accelerated and expeditious in any state or  
5 federal court. See Exhibit E. In short, the manner and method in which Staff has  
6 conducted discovery in this docket would fail to comply with either the Federal or  
7 Arizona Rules of Civil Procedure.

8 Since June 2004, Qwest has responded to all requests for information, irrespective  
9 of whether such requests came from Staff or its experts. Qwest has acquiesced in special  
10 requests (e.g., multiple copies, particular formats, etc.) at no charge to Staff, the  
11 requesting party. Qwest has not previously sought any limitation on the amount or  
12 timing of discovery requests it receives from multiple parties. To date, Qwest has  
13 answered approximately 85% of all data requested issued directly by Staff itself within  
14 the prescribed time. There are no outstanding data request responses due directly to Staff  
15 and only 11 remaining for Dunkel. Isolating Utilitech's data requests does not fairly  
16 depict the responsiveness of Qwest to all Staff discovery in this docket.

---

17  
18 <sup>9</sup> See Daniel J. McAuliffe, *Arizona Civil Rules Handbook* (2004 ed) at 368 (discussing Rule  
19 33.1's presumptive limits and noting that interrogatories are "generally considered to be one of  
20 the most overused and abused forms of civil discovery."). See also, *In the Matter of:*  
21 *Authorizing A Complex Civil Litigation Pilot Program Applicable In Maricopa County, Arizona*  
22 Supreme Court Administrative Order No. 2002-107 (Nov. 22, 2002) (considering, in part, the  
23 adoption of a new Ariz. R. Civ. P. 16.3 to address the management of complex civil litigation,  
24 including the setting of limits on discovery). "Rule 16.3 is intended to supplement the Arizona  
25 Rules of Civil Procedure in a manner that will provide judges and litigants with appropriate  
26 procedural mechanisms for the fair, efficient and expeditious management of discovery...and  
other aspects of complex civil litigation. Other than as specifically set forth, cases assigned to  
the complex litigation program are not exempt from any normally applicable rule of procedure,  
except to the extent the trial judge may order otherwise." *Id.* at Appendix A6-7. "In those  
counties in which a complex civil litigation program has been established, a 'complex case' is a  
civil action that requires continuous judicial management to avoid placing unnecessary burdens  
on the court or the litigants and to expedite the case, keep costs reasonable, and promote an  
effective decision making process by the court, the parties, and counsel." *Id.* at Appendix A1.

1 Qwest has attempted to address Staff's "concerns" regarding the timeliness of its  
2 responses to Staff's data requests and to improve its response time. However, under the  
3 circumstances of this case, Qwest believes that the manner in which discovery responses  
4 have been provided to date has in no way "adversely affect[ed] the Staff's ability" to  
5 present its case in a timely manner to the Commission. As Qwest has consistently stated  
6 on the record, the intent and actual provisions of the Price Cap Plan reflect what should  
7 have been a streamlined process in arriving at the Plan's renewal or modification, and not  
8 a full rate case. In resolving differences among the parties on this issue, the Commission  
9 made clear that this docket should be able to reach final determination in a significantly  
10 shorter period than the traditional rate case and that Staff should make critical  
11 determinations concerning the amount of information to be required of Qwest,  
12 particularly in light of the Price Cap Plan's express limitations on the amount of  
13 information to be filed in connection with any proposed modification or renewal of the  
14 Plan. *This does not translate to trying to conduct all of the discovery typically*  
15 *propounded in a two-year rate case into six months.*

### 16 **III. Conclusion**

17 Based on the foregoing, Qwest respectfully requests that Staff's motion to compel  
18 be denied. Additionally, Qwest requests that an order be entered setting reasonable  
19 discovery limits on Staff's written discovery on a going-forward basis in this docket.  
20 Specifically, Staff and its consultants, as a group, should be limited to issuing a certain  
21 number of data requests, including subparts. Given the amount of Staff's written  
22 discovery to date and the fact that Staff will be filing its direct testimony on October 19,  
23 2004, Qwest recommends this limit be set at 40 data requests (including subparts)  
24 between now and October 19, 2004, and 40 data requests (including subparts) during the  
25  
26



1 rebuttal/surrebuttal phase thereafter until the time of hearing.<sup>10</sup> Upon reaching such limit,  
2 if Staff believes good cause exists for the service of more than the established limit, Staff  
3 should consult with Qwest and attempt to secure a written stipulation as to the number of  
4 additional data requests that may be served (*see* Ariz. R. Civ. P. 33.1(b)); assuming a  
5 stipulation cannot be reached, Staff may then seek leave of the Hearing Division for an  
6 order permitting additional discovery. *See* Ariz. R. Civ. P. 33.1(c). This will preclude  
7 any prejudice to Staff. Qwest believes that no other party has abused the written  
8 discovery process in a manner necessitating the imposition of limits on all parties.  
9 However, Qwest would be happy to consider the application of a fair and reasonable limit  
10 to be applied to all parties, including Qwest, as this case moves forward. A discovery  
11 cut-off deadline should likewise be explored between the parties.

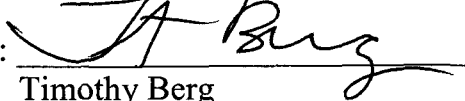
12         At least one Commissioner has publicly expressed concern over the costs of rate  
13 proceedings to utilities and their ratepayers. A significant cause of these increasing costs  
14 is plainly evidenced by the unlimited and overly broad discovery that Staff has pursued in  
15 this case. This unfortunately appears to have become the norm in most rate cases, and the  
16 Commission should be sensitive to the direction of these administrative proceedings  
17 (which by their very nature should be designed to reach resolution through more flexible,  
18 more efficient and speedy means than civil litigation) down a path opposite to most  
19 litigation reforms. Qwest is mindful that dockets, such this one, are complex and  
20 therefore require the opportunity for all parties to conduct adequate discovery. However,  
21 overbroad, unduly burdensome and unlimited discovery is not required, and only serves  
22 to increase the costs and burden of regulation. Similarly, motions to compel serve no  
23 useful purpose when they seek to compel information that a party is willing to provide  
24 and is in the process of assembling. Such motions are particularly without merit when  
25 the party against whom discovery sanctions are sought has made a continuous good faith

26 <sup>10</sup> These limits are double the limits prescribed in Ariz. R. Civ. P. 33.1.

1 effort to respond to vast amounts of written discovery and to keep the docket moving in a  
2 timely manner, as Qwest has done here.

3 RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of September, 2004.

4 FENNEMORE CRAIG

5 By:   
6 Timothy Berg  
7 Theresa Dwyer  
8 3003 North Central Ave., Suite 2600  
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11 -and-  
12 Norman G. Curtright  
13 QWEST CORPORATION  
14 4041 North Central Avenue  
15 11<sup>th</sup> Floor  
16 Phoenix, AZ 85012

17 *Attorneys for Qwest Corporation*

18 ORIGINAL and 15 copies hand-delivered for  
19 filing this 24<sup>th</sup> day of September, 2004 to:

20 Docket Control  
21 ARIZONA CORPORATION COMMISSION  
22 1200 W. Washington St.  
23 Phoenix, AZ 85007

24 COPY of the foregoing delivered (and e-mailed)  
25 this 24<sup>th</sup> day of September, 2004 to:

26 Jane Rodda ([jrodde@cc.state.az.us](mailto:jrodde@cc.state.az.us))  
Administrative Law Judge  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington St.  
Phoenix, AZ 85007

Maureen A. Scott ([mscott@cc.state.az.us](mailto:mscott@cc.state.az.us))  
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ARIZONA CORPORATION COMMISSION  
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Phoenix, AZ 85007

Ernest G. Johnson, Director

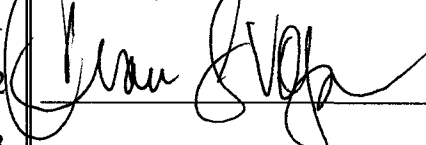
1 Utilities Division  
ARIZONA CORPORATION COMMISSION  
2 1200 W. Washington St.  
Phoenix, AZ 85007  
3 COPY of the foregoing mailed (and e-mailed)  
this 24<sup>th</sup> day of September, 2004 to:  
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Mary Tribby  
22 AT&T  
1875 Lawrence Street, Room 1575  
23 Denver, CO 80202-1847  
24 Peter Q. Nyce, Jr.  
Regulatory Law Office  
25 U.S. Army Litigation Center  
901 N. Stuart Street, Suite 713  
26 Arlington, VA 22203-1837

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- 10 San Francisco, CA 94105
- 11
- 12 Walter W. Meek President  
Arizona Utility Investors Association  
2100 N. Central Avenue, Suite 210
- 13 Phoenix, AZ 85004
- 14
- 15 Accipiter Communications, Inc.  
2238 W. Lone Cactus Dr., Ste.100
- 16 Phoenix, AZ 85027
- 17
- 18 Alliance Group Services, Inc.  
1221 Post Road East  
Westport, CT 06880
- 19
- 20 Archtel, Inc.  
1800 West Park Drive, Ste. 250  
Westborough, MA 01581
- 21
- 22 Brooks Fiber Communications of Tucson, Inc.  
201 Spear Street, 9<sup>th</sup> Floor  
San Francisco, CA 94105
- 23
- 24 Centruytel  
PO Box 4065  
Monroe, LA 71211-4065
- 25
- 26 Citizens Utilities Rural Co. Inc.  
Citizens Communications Co. of Arizona  
4 Triad Center, Suite 200  
Salt Lake City, UT 84180
- 27
- 28 Citizens Telecommunications Co. of the White Mountains, Inc.  
4 Triad Center, Ste. 200

- 1 Salt Lake City, UT 84180
- 2
- 3 Comm South Companies, Inc.  
2909 N. Buckner Blvd., Ste. 200
- 4 Dallas, TX 75228
- 5 Copper Valley Telephone, Inc.  
PO Box 970
- 6 Willcox, AZ 85644
- 7 Electric Lightwave, Inc.  
4 Triad Center, Ste. 200
- 8 Salt Lake City, UT 84180
- 9 Eschelon Telecom of Arizona, Inc.  
730 Second Avenue South, Ste.1200
- 10 Minneapolis, MN 55402
- 11 Ernest Communications, Inc.  
5275 Triangle Pkwy, Ste. 150
- 12 Norcross, GA 30092-6511
- 13 Intermedia Communications, Inc.  
3608 Queen Palm Drive
- 14 Tampa, FL 33619-1311
- 15 Level 3 Communications, LLC  
1025 Eldorado Blvd.
- 16 Broomfield, CO 80021
- 17 Max-Tel Communications, Inc.  
105 N. Wickham
- 18 PO Box 280  
Alvord, TX 76225
- 19 MCI WorldCom Communications
- 20 201 Spear Street, 9<sup>th</sup> Floor  
San Francisco, CA 94105
- 21 MCIMetro
- 22 201 Spear Street, 9<sup>th</sup> Floor  
San Francisco, CA 94105
- 23 Metropolitan Fiber Systems of Arizona, Inc.
- 24 201 Spear Street, 9<sup>th</sup> Floor  
San Francisco, CA 94105
- 25 Midvale Telephone Exchange
- 26 PO Box 7

- 1 Midvale, ID 83645
- 2
- 3 Navajo Communications Co., Inc.  
4 Triad Center, Suite 200
- 4 Salt Lake City, UT 84180
- 5 Nextlink Long Distance Svcs.  
3930 E. Watkins, Ste. 200
- 6 Phoenix, AZ 85034
- 7 North County Communications Corporation  
3802 Rosencrans, Ste. 485
- 8 San Diego, CA 92110
- 9 One Point Communications  
Two Conway Park
- 10 150 Field Drive, Ste. 300  
Lake Forest, IL 60045
- 11
- 12 Opex Communications, Inc.  
500 E. Higgins Rd., Ste. 200  
Elk Grove Village, IL 60007
- 13
- 14 Pac-West Telecomm, Inc.  
1776 W. March Lane, #250  
Stockton, CA 95207
- 15
- 16 The Phone Company/Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938
- 17
- 18 Rio Virgin Telephone Co.  
Rio Virgin Telephone and Cablevision  
PO Box 189
- 19 Estacada, OR 97023-000
- 20 South Central Utah Telephone Association, Inc.  
PO Box 226
- 21 Escalante, UT 84726-000
- 22 Southwestern Telephone Co., Inc.  
PO Box 5158
- 23 Madison, WI 53705-0158
- 24 Special Accounts Billing Group  
1523 Withorn Lane
- 25 Inverness, IL 60067
- 26 Sprint Communications Company, L.P.

- 1 6860 W. 115<sup>th</sup>, MS:KSOPKD0105  
Overland Park, KS 66211
- 2
- 3 Touch America  
130 N. Main Street  
4 Butte, MT 59701
- 5 Table Top Telephone Co, Inc.  
600 N. Second Avenue  
6 Ajo, AZ 85321-0000
- 7 TCG Phoenix  
1875 Lawrence Street, Room 1575  
8 Denver, CO 80202
- 9 Valley Telephone Cooperative, Inc.  
752 E. Malley Street  
10 PO Box 970  
Willcox, AZ 85644
- 11 Verizon Select Services Inc.  
12 6665 MacArthur Blvd, HQK02D84  
Irving, TX 75039
- 13 VYVX, LLC  
14 One Williams Center, MD 29-1  
Tulsa, OK 74172
- 15 Western CLEC Corporation  
16 3650 131<sup>st</sup> Avenue SE, Ste. 400  
Bellevue, WA 98006
- 17 Williams Local Network, Inc.  
18 One Williams Center, MD 29-1  
Tulsa, OK 74172
- 19 XO Arizona Inc.  
20 3930 Watkins, Ste. 200  
Phoenix, AZ 85034

21   
22

23 PHX/1587868

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# EXHIBIT

# A



Set	Questions (a)	Subparts (b)	Questions with Subparts ( c )	Total Questions (a+b-c)	% of Numbered Questions with Subparts (c/a)
WDA-1	10	17	5	22	50%
WDA-2	28	57	16	69	57%
WDA-3	2	9	2	9	100%
WDA-4	33	110	27	116	82%
WDA-5	1	2	1	2	100%
WDA-6	4	11	3	12	75%
WDA-7	8	38	8	38	100%
WDA-8	20	80	17	83	85%
WDA-9	10	52	10	52	100%
WDA-10	16	78	14	80	88%
WDA-10C	7	31	7	31	100%
WDA-11	12	46	9	49	75%
WDA-12	1	3	1	3	100%
WDA-12C	10	56	6	60	60%
WDA-13	2	0	0	2	0%
STF-1	9	0	0	9	0%
STF-2	1	3	1	3	100%
STF-3	39	0	1	38	3%
STF-4	7	0	0	7	0%
STF-5	1	0	0	1	0%
STF-6	2	8	1	9	50%
STF-7	6	0	0	6	0%
STF-8	1	0	0	1	0%
STF-9	1	0	1	0	100%
STF-10	1	0	0	1	0%
STF-11	22	0	0	22	0%
STF-12	13	20	5	28	38%
STF-13	1	5	1	5	100%
STF-14	2	8	1	9	50%
STF-15	5	0	0	5	0%
STF-16	4	0	0	4	0%
STF-17	8	0	0	8	0%
STF-18	2	0	0	2	0%
STF-19	2	0	0	2	0%
STF-20	3	0	0	3	0%
STF-21	12	0	0	12	0%
STF-22	1	0	0	1	0%
STF-23	1	0	0	1	0%
STF-24	1	0	0	1	0%
STF-25	1	0	0	1	0%
STF-26	3	0	1	2	33%
STF-27	1	0	0	1	0%
STF-28	1	0	0	1	0%
STF-29	1	0	0	1	0%
STF-30	6	0	0	6	0%
STF-31	1	0	0	1	0%
STF-32	2	6	1	7	50%
STF-33	3	0	0	3	0%
STF-WRL	6	0	0	6	0%

STF-VOIP	5	3	0	8	0%
UTI-1	31	7	1	37	3%
UTI-2	31	17	5	43	16%
UTI-3	45	88	23	110	51%
UTI-4	33	39	9	63	27%
UTI-5	19	17	3	33	16%
UTI-6	17	15	3	29	18%
UTI-7	20	17	3	34	15%
UTI-8	50	44	8	86	16%
UTI-9	20	44	12	52	60%
UTI-10	9	24	4	29	44%
UTI-11	26	20	6	40	23%
UTI-12	20	44	10	54	50%
UTI-13	13	31	8	36	62%
UTI-14	19	65	9	75	47%
UTI-15	28	0	18	10	64%
UTI-16	20	51	14	57	70%
<b>Total</b>	<b>740</b>	<b>1166</b>	<b>275</b>	<b>1631</b>	<b>37%</b>
 Total WDA	 164	 590	 126	 628	 77%
Total UTI	401	523	136	788	34%
<b>Total WDA and UTI</b>	<b>565</b>	<b>1113</b>	<b>262</b>	<b>1416</b>	<b>46%</b>

# EXHIBIT

# B

Set	Questions (a)	Subparts (b)	Questions with	Total Questions (a+b-c)	% of Numbered Questions with
			Subparts ( c )		Subparts (c/a)
ATT-1	1	0	0	1	0%
ATT-3	14	8	2	20	14%
ATT-4	19	15	2	32	11%
ATT-5	4	0	0	4	0%
ATT-6	10	29	9	30	90%
COX-1	1	0	0	1	0%
DOD-1	1	0	0	1	0%
DOD-2	12	0	0	12	0%
DOD-3	8	0	0	8	0%
RUCO-1	1	0	0	1	0%
RUCO-2	78	37	9	106	12%
RUCO-3	24	30	8	46	33%
RUCO-4	11	34	7	38	64%
RUCO-5	5	7	2	10	40%
RUCO-6	5	9	4	10	80%
TWE-1	12	0	0	12	0%
<b>Total</b>	<b>206</b>	<b>169</b>	<b>43</b>	<b>332</b>	<b>21%</b>

# EXHIBIT

## C

**COMMISSIONERS**  
MARC SPITZER - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES



**BRIAN C. MCNEIL**  
Executive Secretary

**ARIZONA CORPORATION COMMISSION**

July 14, 2004

Timothy Berg, Esq.  
Fennemore Craig  
3003 North Central Ave., Suite 2600  
Phoenix, AZ 85012-2913

Re: Qwest Corporation's Renewed Price Regulation Plan  
Docket No. T-01051B-03-0454

Dear Tim:

This letter will attempt to memorialize several general agreements reached between Staff and Qwest with respect to discovery. I am not going to attempt in this letter to go through each and every data request and response which have been discussed in the last few weeks and the agreements reached with respect to them. I am assuming that you will be rectifying any problems which we discussed with regard to individual requests in accordance with the substance of our discussions. This letter is intended only to address several recurring problems that we continue to see and which we anticipate will be quickly remedied.

First, Qwest has agreed to provide responses to Staff's (and Staff's consultants) data requests in both electronic and hard copy format. Copies of all responses are to be sent to Connie Fitzsimmons (Legal Division) and the Staff member or Staff consultant who requested the information who will generally be listed on the transmittal letter accompanying the data requests.

Second, Qwest is to use its best efforts to provide hard copies of all confidential and highly confidential information on appropriately marked and colored paper.

Third, if a response is voluminous, Qwest will indicate this in its response to the data request and that as a result it is attaching its response in electronic form only.

Fourth, it was agreed that Qwest would use its best efforts to get its responses to Staff in less than the required 10 day timeframe. As of July 12, 2004, with respect to UTI's discovery requests, out of a total 140 questions submitted, UTI had received responses to 107. The average response time was 15.4 days. As of the same date, 33 data requests remained outstanding. The average time outstanding for these requests was 22.8 days. I just want to remind you that Staff, RUCO and the intervenors have only 120 days in which to prepare their case and file their initial testimony. Obviously, this is dependent upon our ability to receive responsive answers to our data requests in a timely fashion.

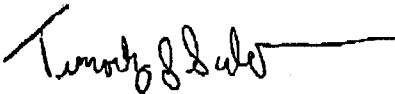
Mr. Timothy Berg

Page 2

July 14, 2004

I hope this letter accurately captures our agreements with respect to several important process issues concerning discovery in this case. If I have left anything out, or your understanding of any particular agreement differs from mine, please let me know as soon as possible. Thank you for your continuing cooperation with these matters.

Sincerely,

*for*   
Maureen A. Scott  
Attorney, Legal Division

**EXHIBIT**

**D**



LAW OFFICES  
**FENNEMORE CRAIG**  
A PROFESSIONAL CORPORATION

**TIMOTHY BERG**

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July 19, 2004

**VIA FACSIMILE AND MAIL**

Timothy Sabo, Esq.  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Re: Qwest/Renewed Price Regulation Plan; Docket No.: T-01051B-03-0454

Dear Tim:

I have received your correspondence dated July 14, 2004 and provide this response. I have set forth below Qwest's understanding of the agreements it has reached with Staff concerning discovery. Further, Staff's perception that "recurring problems" exist relative to Qwest's responses to Staff's data requests is both troublesome and inaccurate for the reasons described herein.

(1) First, Qwest will provide the actual responses to Staff's data requests, excluding any attachments referenced in Qwest's responses, in hard copy only. Where any attachment referenced in Qwest's data request response is not voluminous, Qwest will provide that attachment in both hard copy and CD format. Please note that in such instances, the CDs will accompany the data request responses; the hard copy of the non-voluminous attachment will follow in the mail via overnight delivery as soon thereafter as possible. When any attachment referenced in Qwest's data request response is voluminous (*i.e.*, in excess of 100 pages) Qwest will only provide the CD format. With regard to the number of copies to be provided, Qwest will provide only two sets to Staff: (1) one copy for Connie Fitzsimmons (Legal Division), and (2) one copy for the individual consultant or Staff member designated in writing by Staff on the cover letter accompanying the particular set of data requests at issue.

(2) Second, subject to Paragraph (1) above, Qwest has been and will continue to use its best efforts to provide hard copies of all confidential and highly confidential information on colored paper and marked in the manner set forth in the relevant Protective Agreement. This means that if a document is not voluminous (*i.e.*, under 100 pages) and is confidential or highly confidential, Qwest will provide that document in hard copy on yellow or pink paper. If a

# FENNEMORE CRAIG

Timothy Sabo, Esq.

July 19, 2004

Page 2

document is voluminous (*i.e.*, in excess of 100 pages) and is confidential or highly confidential, the document will still be provided in CD format only; however, the CD cover and/or label will be designated "Confidential" or "Highly Confidential" and be referenced accordingly in the actual data request response. Where technically possible, Qwest will also mark the material on the CD in such a manner that a confidential or highly confidential designation will appear on the printed page.

(3) Third, if any attachment referenced in Qwest's data request response is voluminous (*i.e.*, in excess of 100 pages), Qwest will indicate that the attachment is "voluminous" in its actual data request response and will provide the attachment as indicated in (1) and (2) above.

(4) Fourth, Qwest disagrees with your characterization of Qwest's responsiveness to Staff's data requests as untimely. You should note that in this docket Qwest receives numerous data requests from multiple parties, and not just Staff (*e.g.*, RUCO, DOD, etc.). Both Staff and its testifying experts (*i.e.*, William Dunkel & Associates and Utilitech, Inc.) have independently served Qwest with their own sets of data requests. These total 23 sets containing 320 individually numbered data requests, not including subparts.<sup>1</sup> For example, Dunkel's 4<sup>th</sup> set of data requests contained 33 requests, but the subparts to these request, which required separate responses, totaled 125. When able to do so, Qwest has served responses to Staff's data requests early. In many instances, Staff has made special requests concerning the manner in which it prefers responses be provided, which adds to the time it requires to prepare such responses. It is interesting to note that many of Staff's and its consultants' data requests are served on a Thursday or a Friday, which, as a practical matter, reduces the time permitted for Qwest's response (*i.e.*, four of the ten days permitted for response fall on a weekend), and certainly affects Qwest's ability to respond early. In fact Qwest received three additional sets of discovery from Staff on Friday, July 16<sup>th</sup>, as it was preparing this letter.

In attempting to resolve Staff's discovery issues in good faith and after personal consultation, Qwest is disappointed with your correspondence as it reflects Staff's view. Qwest has attempted to cooperate with Staff's discovery demands in a manner that goes above and beyond the normal course of discovery conducted in even the most complex of Arizona litigation. For example, a party typically is not permitted to serve discovery from multiple sources (*i.e.*, its legal counsel, its retained testifying experts, etc.) and to serve an apparently unlimited number of data requests (with subparts) as issued by Staff and its consultants. Limits

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<sup>1</sup> 249 of these data requests were due prior to July 19, 2004. The comparison to the discovery conducted by Staff and its consultants in Qwest's 1999 rate case is illuminating. In the past two months, Staff has already issued as many sets of data requests (and received responses to same) as it did during first five months of Qwest's 1999 rate case.

## FENNEMORE CRAIG

Timothy Sabo, Esq.  
July 19, 2004  
Page 3

on the scope and amount of discovery to be propounded, and reasonable time frames for responding to extensive discovery from multiple parties are also customary in complex litigation.

As indicated above, Qwest has responded to all requests for information, irrespective of whether such requests came from Staff or its experts. Qwest has in some instances provided its responses early and complied with special requests (*e.g.*, multiple copies, particular formats, etc.) at no charge to the requesting party. Qwest has not sought any limitation on the amount or timing of discovery requests it receives from multiple parties. To date, Qwest has answered approximately 73% of all data requests served by Staff and its consultants within the prescribed time. Only 41 individual data requests remain outstanding because the information requested was not readily available and requires additional time to produce. There are also 73 data requests not yet due to Staff and its consultants.

Under these circumstances, Qwest believes that discovery parameters outlined this letter are reasonable and in no way should impede Staff's ability to prepare its initial testimony within the 120-day time frame established by procedural order.

If you have any further questions or comments, please feel free to contact me.

Sincerely,

FENNEMORE CRAIG



Timothy Berg

**EXHIBIT**

**E**

**COMMISSIONERS**  
MARC SPITZER - Chairman  
WILLIAM MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES



BRIAN C. MCNEIL  
Executive Secretary

**ARIZONA CORPORATION COMMISSION**

September 8, 2004

Norm Curtright, Esq.  
QWEST CORPORATION  
4041 North Central Avenue, 11<sup>th</sup> Floor  
Phoenix, Arizona 85012

Timothy Berg, Esq.  
Fennemore Craig  
3003 North Central Avenue, Suite 2600  
Phoenix, Arizona 85012-2913

Re: Qwest Corporation's Renewed Price Cap Plan  
Docket No. T-01051B-03-0454

Dear Tim and Norm:

This is a follow-up to our conversation of last week regarding outstanding discovery responses. I have attached a copy of the discovery log prepared by one of our consultants, Utilitech, which shows all outstanding responses to their data requests as of September 1, 2004, which I also provided to you last week. I want to initially note that we very much appreciate yours and Qwest's willingness to work with us on these issues and to reach resolution of discovery disputes without the need for escalation to the Hearing Division in many cases.

We are concerned, however, because the average lag for responses to Utilitech data requests has increased to 19.4 days, which represents an increase of approximately 4 days per response since my last communication with you a little over a month ago. While I realize that Utilitech is not the only member of Staff's team that is sending you discovery, and that Qwest's response times may vary among the other respondents, I want to remind you that Judge Rodda specifically ordered that "responses to discovery requests shall be made within 10 calendar days of receipt." July 1, 2004 Procedural Order at p. 3. This is the traditional timeframe, even though this case is on a non-traditional, accelerated schedule. Given the limited time available to Staff, it is imperative that we receive timely responses to data requests.

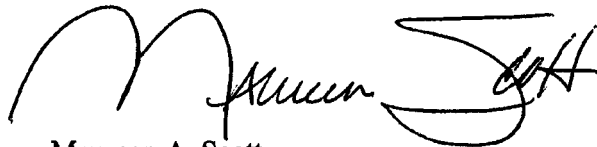
Receipt of responses in 20 days rather than 10 as required, not only adversely affects the Staff's ability to assemble its case in a timely manner, but also adversely affects the Staff's ability to do follow-up discovery.

Mr. Norm Curtright  
Mr. Tim Berg  
September 8, 2004  
Page Two

In your July 19, 2004, letter to Tim Sabo, you imply that Staff is conducting excessive discovery. To the contrary, Staff's discovery has been substantially constrained by the limited time available. Further, I do not find your comparison to the 1999 rate case to be valid. Comparing a period in this case to one in the 1999 case is inappropriate because this case is not following the more extended schedule of a traditional case. Further, Staff and its consultants issued more than 1495 data requests in the 1999 case. Staff and its consultants are not on track to come even close to that figure in this case, having issued only 661 data requests to-date. In addition, some of the 661 data requests issued in this case were directed to CLECs, not Qwest.

I would appreciate it if you could contact me at your earliest convenience to discuss the timeframe for responses to the outstanding discovery contained on the attached schedule. Thank you in advance for your corporation with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Maureen Scott', with a large, stylized initial 'M' and 'S'.

Maureen A. Scott  
Attorney, Legal Division

MAS:daa

QWEST CORPORATION  
ARIZONA CORPORATION COMMISSION  
Docket No. T-01051B-03-0454  
DATA REQUEST LOG

#16

DATE OF LAST LOG UPDATE..... 01-Sep-04  
AVERAGE LAG DAYS FOR DATA REQUESTS RECEIVED..... 19.4  
AVERAGE LAG DAYS FOR ALL DATA REQUESTS ISSUED..... 19.7  
AVERAGE LAG DAYS FOR OUTSTANDING DATA REQUESTS..... 20.3  
NUMBER OF DATA REQUESTS OUTSTANDING..... 131

REFERENCE CODE:

A=ACCESS PROVIDED  
C=RESPONSE CONFIDENTIAL  
NR=INFORMATION SUPPLIED IS NON-RESPONSIVE  
O=OBJECTION TO REQUEST  
P=PROBLEM RESPONSE  
WC=RESPONSE WITHHELD AS CONFIDENTIAL  
FU=FOLLOW UP  
OR=OBJECT BUT RESPONDED  
V=VOLUMINOUS

DR No.	DESCRIPTION	CODE	Disc	DR Set No.	DATE ISSUED	DATE RECEIVED	LAG DAYS
UT1-1 1	Provide copy of all workpapers supporting Company's filing, both hard copy and electronic format	7 Partial C, E-1, E-2 7/21	Y	1 1	08/08/04	08/18/04	10
UT1-1 2	Provide copies of "close issues" used to identify/quantify unusual/one-time entries		Y	1 2	08/08/04	08/18/04	10
UT1-1 3	Identify/describe each AZ off-book entry and provide quantification of test period armts associated with each		Y	1 3	08/08/04	08/18/04	10
UT1-1 4	Provide copy of reports prepared for/ utilized by mgmt to monitor financial performance of Co AZ totl C		Y	1 4	08/08/04	08/18/04	10
UT1-1 5	Provide employee stats for each segment of consolidated business indicating headcount by business: C Hardcopy Att 7/16, Sup		Y	1 5	08/08/04	07/12/04	34
UT1-1 6	Provide stat data re: Qwest AZ situs, regional, HQ, contractor personnel	C Hardcopy Att 7/16, Sup	Y	1 6	08/08/04	07/12/04	34
UT1-1 7	Provide copy of Company's monthly MR, FR and JD series financial operating reports for AZ ops		Y	1 7	08/08/04	06/18/04	10
UT1-1 8	Provide copy of Company's AZ ledger for 03 indicating monthly charges by source to each sub-account		Y	1 8	08/08/04	06/18/04	10
UT1-1 9	Provide a copy of Qwest's current FCC Cost Allocation Manual		Y	1 9	08/08/04	06/18/04	10
UT1-1 10	State whether or not the ACC ever affirmatively deregulated Qwest's pay phone business and provid O-R		Y	1 10	08/08/04	06/18/04	10
UT1-1 11	Grate pg. 128-132: Provide calc of each adj that would be required if rulings in 93 were implemented Supp 7/26, Att A 7/28		Y	1 11	08/08/04	06/18/04	10
UT1-1 12	Grate pg. 131: Provide summary of adv costs by campaign, cost type, RC and FCC acct and provide Partial C		Y 7/8	1 12	08/08/04	07/08/04	30
UT1-1 13	For each of the Company's dereg serv, provide IS and summary of investment	C	Y	1 13	08/08/04	06/18/04	10
UT1-1 14	What AZ LNP costs/rev were incurred/realized in test period? Provide armts by month and FCC acct Hardcopy Att		Y	1 14	08/08/04	06/25/04	17
UT1-1 15	What AZ reciprocal comp costs/rev were incurred/realized in the test period? Provide armts by month and FCC acct		Y 7/8	1 15	08/08/04	07/08/04	30
UT1-1 16	Provide copy of the internal documentation to inform external relations personnel of policy re: allocatl C		Y	1 16	08/08/04	06/18/04	10
UT1-1 17	Provide an org chart for the AZ Public Affairs org and written descriptions for each employee	C	Y	1 17	08/08/04	06/18/04	10
UT1-1 18	Provide an org chart for the AZ Community Relations org and written descriptions for each employee		Y	1 18	08/08/04	06/18/04	10
UT1-1 19	Provide a summary of test period charges by RC, EXTC and FCC sub-acct for Acct 6722 External R/C		Y	1 19	08/08/04	06/18/04	10
UT1-1 20	Provide a copy of QCL and QSC accounting allocation manuals	C	Y	1 20	08/08/04	06/18/04	10
UT1-1 21	Provide statement of total QCL and QSC gross test year charges by RC, allocation of costs to QC vs C		Y	1 21	08/08/04	06/18/04	10
UT1-1 22	Let/describe each contract for recurring products/services between QC and affiliates	Partial C	Y 7/8	1 22	08/08/04	06/18/04	30
UT1-1 23	Provide itemization of test period transactions between QC and each affiliate charged on QC books Supp 7/19, Att 7/20, Supp		Y	1 23	08/08/04	06/18/04	10
UT1-1 24	Provide statement of test period charges impacting QC expenses in AZ by cost type re: "Legal Proc C		Y	1 24	08/08/04	06/28/04	20
UT1-1 25	Has QC or affli initiated any business restructuring since January 2002?		Y	1 25	08/08/04		0
UT1-1 26	Explain the process and vendors involved that relate to fees for re-auditing prior financial statements Partial C		Y	1 26	08/08/04	06/18/04	10
UT1-1 27	Provide itemization of all accty restatement entries recorded in 02-03 by QC or any affiliate C, suppl 7/12/04		Y	1 27	08/08/04	06/18/04	10
UT1-1 28	Pg. 3 SEC Form S-4: Provide discussion and calc to explain how the debt of each entity is attributed to AZ intrastate ops		Y	1 28	08/08/04	06/18/04	10
UT1-1 29	Provide itemization of all forms of cash, deferred and non-cash comp provided to each of the ten mo C		Y	1 29	08/08/04	06/28/04	20
UT1-1 30	Provide itemization of all forms of cash, deferred and non-cash comp provided to each of the non-ent Partial C		Y	1 30	08/08/04	06/18/04	10
UT1-1 31	For each incnt comp plan, provide listed info such as statement of costs C Hardcopy Att 8/10		Y	1 31	08/08/04	08/03/04	56
UT1-2 1	Provide electronic copy of the Qwest Corp chart of accounts with narrative description of sub-accounts		Y	2 1	08/11/04	08/28/04	17
UT1-2 2	Provide electronic copy of the Qwest Services Company chart of accounts with narrative description of sub-accounts		Y	2 2	08/11/04	08/21/04	10
UT1-2 3	Grate pgs. 82-91: Provide a copy of excel files supportive of end of period annualization trend analysis C		Y	2 3	08/11/04	08/28/04	17
UT1-2 4	Adjs PFN-2/PFN-4: Provide copies of QC compliance filings to confirm rev impacts associated with e Partial C		Y	2 4	08/11/04	08/28/04	17
UT1-2 5	PFN-1: Provide copies of the out of period review entries ref in wp's that individually exceed a \$100, C, Supp 8/3 Revised A 8		Y	2 5	08/11/04	07/02/04	21
UT1-2 6	PFN-2/PFN-3: Explain whether or not the 36 months of rev data used to calculate linear regression w C No Hardcopy Att		cd only	2 6	08/11/04	08/12/04	82
UT1-2 7	PFN-3: Explain why a "rate" change "driver" was recognized for state switched InterLATA excess		Y	2 7	08/11/04	08/28/04	17
UT1-2 8	PFN-6: Provide allocation pool and factor change data used to quantify changes to centralized allocation factors at year end		Y	2 8	08/11/04	08/21/04	10
UT1-2 9	PFN-6: Provide documentation used to derive the "Weighted Three" and "Access Lines" factors C		Y	2 9	08/11/04	08/21/04	10
UT1-2 10	PFN-9: Provide copies of monthly billings to QLDC for service order processing C, A if needed		Y	2 10	08/11/04	08/28/04	17
UT1-2 11	PFN-9: Explain when/how the errors in allocation of call center costs was discovered, provide copies partial		Y	2 11	08/11/04	07/12/04	31
UT1-2 12	PFN-2: Provide copies of reports submitted to ACC re: service quality performance during 2003 Partial C		Y	2 12	08/11/04	08/21/04	10
UT1-2 13	PFN-4: Confirm \$(32,189,000) CWC allowance inadvertently included the non-cash items C		Y	2 13	08/11/04	08/21/04	10
UT1-2 14	Provide an electronic copy of all documents filed with ACC in connection with annual affiliated interest reporting		Y	2 14	08/11/04	08/28/04	17
UT1-2 15	SEC Form S-4 pg. 23: State # of employees reduced in connection with each restructuring plan		Y	2 15	08/11/04		0
UT1-2 16	SEC Form S-4 pg. 23: Update disclosure with info about new restructuring/staffing adj as now exists		Y	2 16	08/11/04	07/19/04	38
UT1-2 17	SEC Form S-4 pg. 26: Provide copies of reports, etc. associated with ref "evaluation" to stop promoti C Hardcopy Att 8/13		Y	2 17	08/11/04	08/12/04	62
UT1-2 18	Provide monthly breakdown of QC-AZ product-specific advertising exp by product line and campaign C, Supp 8/30		Y	2 18	08/11/04	08/21/04	10
UT1-2 19	Provide monthly breakdown of QC-AZ non-product-specific advertising exp by product line and cam C, Supp 8/30		Y	2 19	08/11/04	08/21/04	10
UT1-2 20	SEC Form S-4 pg. 30: Describe "Spirit of Service" campaign and provide reports addressing purpose and value		Y	2 20	08/11/04	07/12/04	31
UT1-2 21	SEC Form S-4 pg. 32: Provide copies of studies, etc. associated with ref impairment review C		Y	2 21	08/11/04	08/21/04	10
UT1-2 22	Grate pg. 92 Exh PEG-D8 Emp levels: Provide copy of excel spreadsheet underlying PEG-D8 Hardcopy Att 7/16		Y	2 22	08/11/04	07/12/04	31
UT1-2 23	Provide copy of Company's monthly MR, FR and JD series expense sheet for AZ ops C		cd only	2 23	08/11/04	07/12/04	31
UT1-2 24	Provide breakdown of monthly payroll exp between categories of reg, OT, Prem, incnt for AZ ops C		Y	2 24	08/11/04	08/21/04	10
UT1-2 25	Does Qwest continue to prepare various income tax reports? If so, provide copies on MR & JD basis C		Y	2 25	08/11/04	07/09/04	28
UT1-2 26	Provide breakdown of monthly bal of each accoun def income tax reserve acct by timing difference C a-d Rec'd 7/8		Y	2 26	08/11/04	07/02/04	21
UT1-2 27	Sch B-1 & wps of PFA-1/PFN-11: Provide breakdown of \$4,893,469,000 of unadjusted gross intrastate PIS on Sch B-2		Y	2 27	08/11/04	08/21/04	10
UT1-2 28	Adj PFA-2 & wps of OPEB: Provide a copy of the current "OPEB Allocation Model" C a Rec'd 7/8		Y	2 28	08/11/04	7/22/04	21
UT1-2 29	Adj PFN-8 & wps of Incnt Comp: Provide supporting calcs to employ factor of ".1606" suppl 7/12, Hardcopy Att		Y	2 29	08/11/04	08/21/04	10
UT1-2 30	Adj PFN-10 & wps of Prop Tax: Provide copies of wp's supporting calc of pro forma prop tax exp of 1 C		Y	2 30	08/11/04	08/21/04	10
UT1-2 31	Adj PFA-2/PFN-5: Provide copy of each actuarial study now available showing allocation to AZ ops C		Y	2 31	08/11/04	08/28/04	17
UT1-3 1	PFA-02 wp Att B OPEB: Provide copy of the 12/31/03 "US WEST - REG" actuarial report supporting armts in Col A		Y	3 1	08/22/04	07/02/04	10
UT1-3 2	PFA-02 wp Att D OPEB: Explain why both Qwest APBO armts for medicare are identified as "estim C Hardcopy Att 7/16		Y	3 2	08/22/04	07/12/04	20
UT1-3 3	PFA-02 wp Att D OPEB: Explain significant changes in calc of TBO armt armts from last rate proceeding		Y	3 3	08/22/04	07/12/04	20
UT1-3 4	Grate pg. 54, PFA-02 OPEB: Confirm in last case Redding sponsored Adj P-05 to recognize FAS106		Y	3 4	08/22/04	07/12/04	20
UT1-3 5	Grate pg. 111, PFR-05 Pen Asset: Confirm Co has not proposed any adj/acc to amt of pension exp C Hardcopy Att 7/16		Y	3 5	08/22/04	07/12/04	20
UT1-3 6	Grate pg. 111, PFR-05 Pen Asset: Does Co still consider info from responses UTI 20-005, 46-01351 C Hardcopy Att 7/16		Y	3 6	08/22/04	07/12/04	20
UT1-3 7	Grate pg. 111, PFR-05 Pen Asset: Does Co still consider info from responses UTI 20-007, 47-005 to be accurate from last case or necessa		Y	3 7	08/22/04	07/12/04	20
UT1-3 8	Grate pg. 111, PFR-05 Pen Asset: Does Co still consider info from responses UTI 20-005(d), 47-006 to be accurate from last case or neoes		Y	3 8	08/22/04	07/12/04	20
UT1-3 9	Grate pg. 111, PFR-05 Pen Asset: Provide actual armt of pension exp recorded by month during 03 h C Hardcopy Att 7/16		Y	3 9	08/22/04	07/12/04	20
UT1-3 10	Grate pg. 111, PFR-05 Pen Asset: Does Co still consider info from responses UTI 3-12, 20-005(b), RUCO 28-003(d) to be accurate from lar		Y	3 10	08/22/04	07/12/04	20
UT1-3 11	Grate pgs. 113-114, PFR-05 Pen Asset: Provide accoun def income tax reserve adj 12/31/02-03 both: C Hardcopy Att 7/16		Y	3 11	08/22/04	07/12/04	20
UT1-3 12	Grate pg. 111, PFR-05 Pen Asset: Is Qwest aware of Public Law No. 108-218? Does law apply to Qwest plans?		Y	3 12	08/22/04	07/12/04	20
UT1-3 13	Grate pg. 111, PFR-05 Pen Asset: Are changes enacted by Law No. 108-218 expected to impact per partial O		Y	3 13	08/22/04	07/12/04	20

DR No.	DESCRIPTION	CODE	Disc	DR Set No.	DATE ISSUED	DATE RECEIVED	LAG DAYS
UT1-3 3 14	Grate pg. 54, PFA-02 OPEB: Provide amt of OPEB exp included in Qwest's unadjusted test year exp showing allocation			3 14	06/22/04	07/12/04	20
UT1-3 3 15	Grate pg. 54, PFA-02 OPEB: Provide copy of all correspondence between Qwest/actuary re: new pnt C Hardcopy Att 7/15		Y	3 15	06/22/04	07/12/04	20
UT1-3 3 16	Rent Comp Study Update PFFN-07: Explain assumptions/provide calc for QWEST CORP ROR value C Hardcopy Att 7/15		Y	3 16	06/22/04	07/12/04	20
UT1-3 3 17	RCND Exh NNH-2 pg. 12: Provide plant record listing of year/made/model of the approx \$1.1m of Passenger Cars		Y 7/8	3 17	06/22/04	07/08/04	16
UT1-3 3 18	RCND Exh NNH-2 pg. 14: Provide plant record listing of year/made/model of the approx \$2.4m of Heavy Trucks		Y 7/8	3 18	06/22/04	07/08/04	16
UT1-3 3 19	RCND Exh NNH-2 pg. 26: Provide plant record listing of assets by location for approx \$31.5m of GP Computers		Y 7/8	3 19	06/22/04	07/08/04	16
UT1-3 3 20	RCND Exh NNH-2 pg. 55: Provide plant record listing by location for \$13.8m of Conduit Systems		Y 7/8	3 20	06/22/04	07/08/04	16
UT1-3 3 21	Did Co receive any Federal or State universal service support funding in the test period?			3 21	06/22/04	07/02/04	10
UT1-3 3 22	Has Co filed a lawsuit against AT&T in past year claiming they illegally avoided paying for use of Qw C Hardcopy Att 7/15		Y	3 22	06/22/04	07/12/04	20
UT1-3 3 23	Has Co recorded any SFAS 5 contingency accruals or accrual reversals that impact test period AZ in C, Att 7/20		Y	3 23	06/22/04	07/19/04	27
UT1-3 3 24	Re: sale of Dex-Provide stmt of all exp incurred charged to AZ intrastate op exp in test period by FCC acct			3 24	06/22/04	07/02/04	10
UT1-3 3 25	Re: restruc corp debt-Provide stmt of all exp incurred charged to AZ intrastate op exp in test period t C a 7/8		Y	3 25	06/22/04	07/02/04	10
UT1-3 3 26	UTI 1-8 CAM: Explain how market pricing is determined to price services provided to QC	C, Voluminous	cd only	3 26	06/22/04	07/12/04	20
UT1-3 3 27	Provide copies of monthly invoices from Qwest Business Resources to QC for each month of 2003	C, Voluminous	cd only	3 27	06/22/04	07/12/04	20
UT1-3 3 28	Provide copies of monthly invoices from Qwest Dex to QC for each month of 2003 and copies of true C Hardcopy Att 7/15, V	C, Voluminous	Y	3 28	06/22/04	07/12/04	20
UT1-3 3 29	UTI 1-23 Att A: Explain/quantify effects of sale of Dex upon pre-divestiture affiliate transactions	C, Supp 7/15 Att 7/20	Y	3 29	06/22/04	07/02/04	10
UT1-3 3 30	Provide copies of monthly invoices from Qwest Services Corp to QC for each month of 2003	C Hardcopy Att 7/15, V	Y	3 30	06/22/04	07/12/04	20
UT1-3 3 31	Provide copies of monthly invoices from Qwest Info Tech to QC for each month of 2003	C Hardcopy Att 7/28	Y	3 31	06/22/04	07/28/04	34
UT1-3 3 32	UTI 1-23 Att A: Provide info for each type of service provided on recurring basis by QC to Qwest Intc C Partial O-R Hardcopy	Y	3 32	06/22/04	07/28/04	36	
UT1-3 3 33	UTI 1-23 Att A: Provide info for each type of service provided on recurring basis by QC to Qwest Bro C Partial O-R Hardcopy	Y	3 33	06/22/04	07/28/04	36	
UT1-3 3 34	UTI 1-23 Att A: Provide info for each type of service provided on recurring basis by QC to Qwest Info C Partial O-R Hardcopy	Y	3 34	06/22/04	08/03/04	42	
UT1-3 3 35	UTI 1-23 Att A: Provide info for each type of service provided on recurring basis by QC to Qwest Ser C Partial O-R Hardcopy	Y	3 35	06/22/04	07/28/04	36	
UT1-3 3 36	UTI 1-23 Att A: Provide info for each type of service provided on recurring basis by QC to Qwest Wn C Partial O-R Hardcopy	Y	3 36	06/22/04	08/03/04	42	
UT1-3 3 37	Provide consolidating Qwest Comm International IS & BS for 03			3 37	06/22/04		0
UT1-3 3 38	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "Reverse December 2002 Standing Accruals for TN14P3000"			3 38	06/22/04	07/02/04	10
UT1-3 3 39	Adj PFFN-01 Out of Period: Explain why July02 transactions were booked in Sept03 for "Sale of Land in Mesa, AZ"			3 39	06/22/04	07/02/04	10
UT1-3 3 40	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "Accrue FY2002 Home Relocation Exp incurred but not invoiced at 01-31-03"			3 40	06/22/04	07/02/04	10
UT1-3 3 41	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "Reverse December 2003 Contract Labor Accrual"			3 41	06/22/04	07/02/04	10
UT1-3 3 42	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "January 2004 Reversals of December 2003 Accruals for RCTU97"			3 42	06/22/04	07/02/04	10
UT1-3 3 43	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "January 2004 Reversals of December 2003 Accruals for RCTU97"			3 43	06/22/04	07/02/04	10
UT1-3 3 44	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "Reverse December 2003 Cable Locate Contract Labor Accrual"			3 44	06/22/04	07/02/04	10
UT1-3 3 45	Adj PFFN-01 Out of Period: Provide detailed explanation for JE "Reversing JE 20020900000022067/200210000000222848"			3 45	06/22/04	07/12/04	20
UT1-4 4 1	Grate pg. 57 PFA-03: Explain why Qwest is only now proposing to adopt SOP98-1 for AZ regulatory (Att 7/20, Supp 7/26 Att A		Y	4 1	06/24/04	07/12/04	18
UT1-4 4 2	Grate pg. 57 PFA-03: Provide a general explanation of the purpose of the multiple "tabs" contained in UTI Printed Hardcopy, Si		Y	4 2	06/24/04	07/19/04	25
UT1-4 4 3	UTI 1-13 FCC Dereg: Provide 03 test year data for each FCC deregulated service as originally requested			4 3	06/24/04	07/09/04	12
UT1-4 4 4	UTI 1-27 Restatement entries: Provide detailed explanation of each "issue" indicating the initial acct problem and provide calc			4 4	06/24/04	07/12/04	18
UT1-4 4 5	UTI 2-24 Payroll: Do amts represent all wages/salaries directly incurred by and allocated to AZ C Att 7/20		Y	4 5	06/24/04	07/19/04	25
UT1-4 4 6	UTI 2-30 PropTax: Reconcile diff between "Actual NBV @ 12/31/03" and the "Reported NBV or Cost" C Hardcopy Att 7/15		Y	4 6	06/24/04	07/12/04	18
UT1-4 4 7	UTI 2-30 PropTax: Provide copy of correspondence from AZ DCR communicating its findings re: fns C, Supp 7/15, Att 7/20 Att		Y	4 7	06/24/04	07/09/04	12
UT1-4 4 8	Grate pg. 74 PFFN-01: Did Co review the tax exp accrual entries in 03/04 to determine if separate correcting/true-up entries had been record		Y	4 8	06/24/04	07/09/04	12
UT1-4 4 9	UTI 1-17/18 Public Affairs: Confirm that Qwest has no "written position descriptions in as much def C Hardcopy Att 7/15		Y	4 9	06/24/04	07/12/04	18
UT1-4 4 10	For each subsidiary of QCI, provide mgmt org chart indicating the officers and senior mgmt of each org		Y	4 10	06/24/04	07/09/04	12
UT1-4 4 11	For QSC Regulatory and Public Policy org, provide mgmt chart and written description for each 5 mo C Hardcopy Att 7/15		Y	4 11	06/24/04	07/12/04	18
UT1-4 4 12	UTI 2-18/2-19 AdExp: Provide copies of representative advertising copy		Y	4 12	06/24/04	07/19/04	25
UT1-4 4 13	CWC PFR-04 ws pg. 1: Confirm that the Co asserted lead lag study inc stmt amts are based upon unadjusted JR basis test period revexp			4 13	06/24/04	07/09/04	12
UT1-4 4 14	CWC PFR-04 ws 11,13,21,24: Explain recent revisions made to calc of salary amts in lead lag study exp weighting values			4 14	06/24/04	07/19/04	25
UT1-4 4 15	CWC PFR-04 ws 15: Provide a copy of most recent invoice and print records associated w/ AZ PUC assessment			4 15	06/24/04	07/09/04	12
UT1-4 4 16	CWC PFR-04 ws 20: Explain Co acctg for Federal Excise Tax, basis for assessment and calc of tax			4 16	06/24/04	07/12/04	18
UT1-4 4 17	CWC PFR-04 ws 21: Explain Co acctg for Sales Tax, basis for assessment and calc of tax			4 17	06/24/04	07/12/04	18
UT1-4 4 18	CWC PFR-04 ws 24: Provide supporting workpapers for Co asserted "Salary Only" lag day value			4 18	06/24/04	07/19/04	25
UT1-4 4 19	CWC PFR-04 ws 24: Provide supporting workpapers for Co asserted "Accrued Compensated Absences" lag day value			4 19	06/24/04	08/02/04	39
UT1-4 4 20	CWC PFR-04 ws 25: Provide supporting workpapers for Co asserted zero lag day value assigned to C Att 7/20		Y	4 20	06/24/04	07/19/04	25
UT1-4 4 21	CWC PFR-04 ws 26: Provide supporting workpapers for Co asserted "Direct Rent" lag day value A			4 21	06/24/04	07/09/04	12
UT1-4 4 22	CWC PFR-04 ws 27: Provide supporting workpapers for Co asserted "Miscellaneous Vouchers" lag day value			4 22	06/24/04	07/09/04	12
UT1-4 4 23	PFR-06 Cust Dep: Explain whether any Customer Deposits were collected pursuant to Interstate tariffs			4 23	06/24/04	07/09/04	12
UT1-4 4 24	UTI 2-26 Re-audit costs: Does Co believe these costs should remain in test period normalized expenses			4 24	06/24/04	07/09/04	12
UT1-4 4 25	UTI 1-1b Shareholder Litauit costs: State whether test year includes any costs of the type disclosed in prior cases			4 25	06/24/04	07/19/04	25
UT1-4 4 26	UTI 1-1c Merger/Acquis cost: State whether test year includes any costs of the type disclosed in prior case			4 26	06/24/04	07/19/04	25
UT1-4 4 27	UTI 1-1d Strategic Plan cost: State whether test year includes any costs of the type disclosed in prior case			4 27	06/24/04	07/19/04	25
UT1-4 4 28	UTI 1-1e Cash mgmt cost: State whether test year includes any costs of the type disclosed in prior case			4 28	06/24/04	07/19/04	25
UT1-4 4 29	UTI 1-1(f) Image Ad cost: State whether test year includes any costs of the type disclosed in prior C Att 7/20		Y	4 29	06/24/04	07/19/04	25
UT1-4 4 30	UTI 1-1(f) Image Ad cost: State whether test year includes any costs of the type disclosed in prior C Hardcopy Att 8/4			4 30	06/24/04	08/02/04	39
UT1-4 4 31	Has Co conducted any studies of effectiveness of its non-product specific ad/markg programs since 1-1-03?			4 31	06/24/04		0
UT1-4 4 32	For each affiliate that bills QC on an est basis with periodic true-up callbills, provide calc of actu C Att 7/20		Y	4 32	06/24/04	07/19/04	25
UT1-4 4 33	Identify/describe each significant change in scope or pricing of services being provided to each listed C Hardcopy Att 8/4		Y	4 33	06/24/04	08/02/04	39
UT1-5 5 1	UTI 2-4 Att B, 2-7: Explain why trending approach with a rate per MOU "driver" is thought to produce C Att 7/21		Y	5 1	07/08/04	07/20/04	12
UT1-5 5 2	UTI 2-7: Explain known reasons why the MOU rate is expected to continue to decline and provide co C Att 7/21		Y	5 2	07/08/04	07/20/04	12
UT1-5 5 3	Provide details associated with each intrastate access tariff price adj impacting the effective rate per Ref RUCCO 2-22, UTI 5-2			5 3	07/08/04	07/28/04	18
UT1-5 5 4	Has Qwest in 03/04 provided free or discounted AZ retail intrastate telecommunications services to any customer at terms not generally avl			5 4	07/08/04	07/28/04	20
UT1-5 5 5	Identify each corporate entity involved in the provision of DSL services in AZ			5 5	07/08/04	08/05/04	28
UT1-5 5 6	UTI 4-24: Provide info comparing QC professional fees incurred in 01/02 to the test period and to "th O-R, C Att 7/21		Y	5 6	07/08/04	07/20/04	12
UT1-5 5 7	UTI 4-23: Provide copies of the relevant excerpts within the referenced ACC Decisions re: Customer deposits			5 7	07/08/04	07/19/04	11
UT1-5 5 8	UTI 3-17,3-18,3-19,3-20: Explain how simply providing a list is thought to be demonstrative of the fact that each asset is still in service			5 8	07/08/04	08/20/04	43
UT1-5 5 9	UTI 3-29: Explain whether any further ratemaking adj is necessary to reflect the change in exp prev C Att 7/20		Y	5 9	07/08/04	07/19/04	11
UT1-5 5 10	Provide a breakdown of monthly AZ M&S investment balances by category and storeroom location Hardcopy Att 8/30		Y	5 10	07/08/04	08/27/04	50
UT1-5 5 11	Describe procedures employed by Co to periodically conduct physical inventories to verify materials in Hardcopy Att 8/30		Y	5 11	07/08/04	08/30/04	53
UT1-5 5 12	Explain causes for the steadily declining trend in AZ customer deposits balances since Jan 01 Partial C Hardcopy Att 7/		Y	5 12	07/08/04	07/28/04	20
UT1-5 5 13	UTI 1-20 Att A: Provide for each affiliate the Hyperion statistical/financial data and calcs performed t C, A, Att 7/21, Supp 7/28		Y	5 13	07/08/04	07/20/04	12
UT1-5 5 14	UTI 1-20 Att A: List/describe each of the "Flow-through RC's" that resulted in charges to QC for the t Att 7/21		Y	5 14	07/08/04	07/20/04	12
UT1-5 5 15	UTI 1-20 Att A: List/describe each of the "Unallocated RC's" that resulted in incurred costs at QSC to C Att 7/21		Y	5 15	07/08/04	07/20/04	12
UT1-5 5 16	Provide a detailed stand-alone income statement for QSC for 2003 indicating monthly/annual total re C Att 7/20		Y	5 16	07/08/04	07/19/04	11
UT1-5 5 17	Explain/document the process through which QSC overhead/indirect costs are accumulated and allo C Hardcopy Att 7/28		Y	5 17	07/08/04	07/28/04	18
UT1-5 5 18	Have any internal/external audits been conducted re: acctg for and allocation of QC affiliates' costs s Att 7/20		Y	5 18	07/08/04	07/19/04	11
UT1-5 5 19	UTI 1-22 Att A: Provide copies of all affiliate contracts with listed entities that were effective during t C, V		cd only	5 19	07/08/04	07/20/04	12
UT1-6 6 1	UTI 2-5 Att A, 3-21: Explain inconsistency in responses and quantify any USF receipts attributable to V		cd only	6 1	07/16/04	08/02/04	17
UT1-6 6 2	UTI 2-5 Att A: Explain the selection process employed and provide info to reconcile 2-5 Att A to PFFN-Ref 2-5			6 2	07/16/04	08/02/04	17
UT1-6 6 3	Provide description of QCI's retail product marketing strategy in AZ Hardcopy Att 8/30		Y	6 3	07/16/04	08/27/04	42
UT1-6 6 4	UTI 2-1 Att A: Provide a QC responsibility code hierarchy table indicating dept/report structure relatio V cd only		Y	6 4	07/16/04	08/27/04	42
UT1-6 6 5	Local_Recur.xls: Provide documentation supporting Corp Jml Activity 2 entry to Acct. 5001.11 for (S2 Hardcopy Att 7/28		Y	6 5	07/16/04	07/28/04	10
UT1-6 6 6	Local_Recur.xls: Provide documentation supporting BARTONL Activity 390 entry to Acct. 5060.121 Hardcopy Att 7/28		Y	6 6	07/16/04	07/28/04	10
UT1-6 6 7	UTI 2-7, Access_Rev.xls: Provide supporting documentation for the monthly "Billed MOU" and "Billed Ref 5-2		Y	6 7	07/16/04	08/27/04	42
UT1-6 6 8	UTI 4-9 Att A: For each position listed in Pub Affairs Org, provide test year wage and benefits cost dist data among FCC Accts			6 8	07/16/04	08/05/04	20
UT1-6 6 9	UTI 4-11 Att A: For listed positions with Qwest Services Pub Pol Org, provide test year wage and ben C Hardcopy Att 8/4		Y	6 9	07/16/04	08/02/04	17



DR No.	DESCRIPTION	CODE	Disc	DR Set No.	DATE ISSUED	DATE RECEIVED	LAG DAYS
UT1-6 8 10	UT1 4-11 Att A: For listed positions with Qwest Services Pub Pol Org, provide copies of times studies			6 10	07/18/04	08/05/04	20
UT1-6 8 11	Does the Qwest Public Policy Org prepare in the prep of strategic plans that are submitted for review by senior mgmt of consolidated busin			6 11	07/18/04	07/29/04	10
UT1-6 8 12	UT1 3-22 Att A,B,C: Confirm test period AZ intrastate access rev from serv to AT&T ref'd as-billed amts that are believed by the Co to be			6 12	07/18/04	08/27/04	42
UT1-6 8 13	UT1 3-22 Att A,B,C: Provide est of test period costs incurred in connection with investigation of claims & litigation against AT&T			6 13	07/18/04		0
UT1-6 8 14	UT1 2-20: Explain purpose for the "Spirit of Service" campaign			6 14	07/18/04		0
UT1-6 8 15	UT1 2-20: Admit Qwest has no record of its exp associated w/ development/placement of "Spirit of Service" campaign ads			6 15	07/18/04		0
UT1-6 8 16	Does QC or aff track costs of ad by campaign or other project/product category?	O-R		6 16	07/18/04	08/09/04	24
UT1-6 8 17	UT1 3-28 Att B: Provide comparable monthly charges to AZ intrastate exp from Dax under new owner Ref UT1 6-9			6 17	07/18/04	07/28/04	10
UT1-7 7 1	UT1 5-13 Att B: Provide comparable information for all months of 2001, 2002 and all available subser C Hardcopy Att 8/11		Y	7 1	08/03/04	08/08/04	3
UT1-7 7 2	UT1 4-31: State when Qwest intends to submit the "supplemental rule 103 filing" ref in response and describe each change			7 2	08/03/04		0
UT1-7 7 3	UT1 3-31: Explain the process in which Qwest Corp manages/controls relationship w/ exp made to its Qwest Info Tech affiliate			7 3	08/03/04		0
UT1-7 7 4	UT1 4-12 Att A: Provide a summary of Qwest advertising by campaign/message during the test period			7 4	08/03/04	08/08/04	6
UT1-7 7 5	UT1 3-31 Att F: Explain how the QIT unit billing rates are determined and describe when adj are calc'd C No Hardcopy Att		cd only	7 5	08/03/04	08/20/04	17
UT1-7 7 6	UT1 3-31 Att B: Provide additional QIT invoice support illustrating monthly quantities and prices being billed and itemizing the "Conduit" char			7 6	08/03/04		0
UT1-7 7 7	UT1 5-1, 5-2 Att A: Provide supporting documents for the "ROI calculation" for each month of the test period R C No Hardcopy Att		Y	7 7	08/03/04	08/12/04	9
UT1-7 7 8	UT1 5-17: Provide supporting documents for the "ROI calculation" for each month of the test period R C No Hardcopy Att		cd only	7 8	08/03/04	08/20/04	17
UT1-7 7 9	Did any Qwest affiliates other than QSC charge a calculated ROI in their allocated charges to QC du C No Hardcopy Att		cd only	7 9	08/03/04	08/23/04	20
UT1-7 7 10	UT1 3-28 Wireless pricing to QC: Explain why QC appears to pay a higher calculated effective rate per MOCU to Qwest Wireless than severa			7 10	08/03/04		0
UT1-7 7 11	UT1 3-28 Wireless pricing to QC: Provide a calc of AZ ratemaking adj that would be required to re-price wireless services purchased from Q			7 11	08/03/04		0
UT1-7 7 12	UT1 1-2351 Rec for Qwest WL B&C: Provide detailed billing items to Qwest Wireless for the monthly C No Hardcopy Att		cd only	7 12	08/03/04	08/23/04	20
UT1-7 7 13	UT1 1-2351 Rec for Qwest NW Serv: Provide billing items to Qwest Wireless for the "network services" recorded to acct 5060			7 13	08/03/04		0
UT1-7 7 14	Describe the b&c services provided to each QC affiliate	C Hardcopy Att 8/13	Y	7 14	08/03/04	08/12/04	9
UT1-7 7 15	Explain Co proposed treatment of b&c service rev/exp/invest in determining AZ rev recovery	C No Hardcopy Att	cd only	7 15	08/03/04	08/20/04	17
UT1-7 7 16	UT1 3-23 Att A: Confirm that Qwest is not seeking rate recovery of the unsupported contingency accrual amts			7 16	08/03/04		0
UT1-7 7 17	UT1 5-7: Did Co allocate customer deposits 100% to intrastate in prior AZ rate cases?	Hardcopy Att 8/31	Y	7 17	08/03/04	08/30/04	27
UT1-7 7 18	UT1 5-6 Att A: Provide itemization by payee and QSC cost type for the 48E Contracted Services USV C Hardcopy Att 8/31		Y	7 18	08/03/04	08/30/04	27
UT1-7 7 19	UT1 5-6 Att A: Explain/provide copy of the CY1 corp entries in Dec 01 totaling \$4,268,035 AZ share V cd only		Y	7 19	08/03/04	08/30/04	27
UT1-7 7 20	UT1 3-26: Explain Qwest's acquisition of leased fiber lines, internal communications services obtained from QCC			7 20	08/03/04	08/27/04	24
UT1-8 8 1	UT1 3-27 Att A: Explain why Business Resources billings to QC for Tucsonwest-333 Wetmore, Phoenixwest 1 and 5090 N. 40th locations cr			8 1	08/06/04		0
UT1-8 8 2	UT1 3-27 Att A: Explain the basis of pricing for BRI office space and furniture occupied by QC employees			8 2	08/06/04		0
UT1-8 8 3	UT1 1-29 Att A: State whether any timesheets are maintained to attribute the "Total Comp" amts shown in column (a)			8 3	08/06/04		0
UT1-8 8 4	UT1 1-29 Att A: For each listed officer, provide copies of their exp reimbursement accts and supporting documents			8 4	08/06/04		0
UT1-8 8 5	Describe corporate aircraft and flight operations activities	C No Hardcopy Att	cd only	8 5	08/06/04	08/23/04	17
UT1-8 8 6	UT1 5-16 Att A 700170 Qwest Corporate Aircraft Use: Provide itemization of the incurred costs by l C Hardcopy Att 8/31		Y	8 6	08/06/04	08/30/04	24
UT1-8 8 7	UT1 5-16 Att A 601008 Mgmt Separation Plan: Provide description of the "Plan(s)" that contribute to these costs			8 7	08/06/04		0
UT1-8 8 8	UT1 5-16 Att A 606080 Exec Perks: Provide itemization of the incurred costs by type of perquisite and by payee			8 8	08/06/04		0
UT1-8 8 9	UT1 5-16 Att A 630000 Sales Commissions: Provide itemization of the incurred costs by type of Commission			8 9	08/06/04		0
UT1-8 8 10	UT1 5-16 Att A 630050 Distributor: Provide itemization of the incurred costs by type of payment			8 10	08/06/04		0
UT1-8 8 11	UT1 5-16 Att A 701000 Entertainment: Provide itemization of the incurred costs by type of payment			8 11	08/06/04		0
UT1-8 8 12	UT1 5-16 Att A 710210 Marketing Services: Provide itemization of the incurred costs by type of payment			8 12	08/06/04		0
UT1-8 8 13	UT1 5-16 Att A 720020 Claims and Losses Exp: Provide itemization of the transactions recorded in this account			8 13	08/06/04		0
UT1-8 8 14	UT1 5-16 Att A 740000 Consulting Fees: Provide itemization of the incurred costs by payee			8 14	08/06/04		0
UT1-8 8 15	UT1 5-16 Att A 741000 Outside Professional: Provide itemization of incurred costs by payee			8 15	08/06/04		0
UT1-8 8 16	UT1 5-16 Att A 741055 Prof Fees Miscellaneous: Provide itemization of the incurred costs by payee			8 16	08/06/04		0
UT1-8 8 17	UT1 5-16 Att A 760005 Legal Damages and Settlements: Provide itemization of the transactions recorded in this account			8 17	08/06/04		0
UT1-8 8 18	UT1 5-16 Att A 770030 Memberships: Provide itemization of the incurred costs by payee			8 18	08/06/04		0
UT1-8 8 19	UT1 5-16 Att A 800030 Event Sponsorship: Provide itemization of the incurred costs by type of expenditure and by payee			8 19	08/06/04		0
UT1-8 8 20	UT1 5-16 Att A 800040 Events: Provide itemization of the incurred costs by type of expenditure and by payee			8 20	08/06/04		0
UT1-8 8 21	UT1 5-16 Att A 800070 Sponsorship Operating Expenses: Provide itemization of the incurred costs by type of exp and by payee			8 21	08/06/04		0
UT1-8 8 22	UT1 5-16 Att A 800050/800051 Promotions/Trinkets and Promotional Materials: Provide description of the types of costs incurred			8 22	08/06/04		0
UT1-8 8 23	UT1 5-16 Att A 800110 Market Research: Provide itemization of the incurred costs by type of expenditure and by payee			8 23	08/06/04		0
UT1-8 8 24	UT1 5-16 Att A 803410 Agency Fees: Provide itemization of the incurred costs by type of expenditure and by payee			8 24	08/06/04		0
UT1-8 8 25	UT1 5-16 Att A 810000 Contributions/Donations: Provide itemization of the incurred costs by type of expenditure and by payee			8 25	08/06/04		0
UT1-8 8 26	UT1 5-16 Att A 810001 Contributions Political: Provide itemization of the incurred costs by type of expenditure and by payee			8 26	08/06/04		0
UT1-8 8 27	UT1 5-16 Att A 810002 Contributions Events: Provide itemization of the incurred costs by type of expenditure and by payee			8 27	08/06/04		0
UT1-8 8 28	UT1 5-16 Att A 880050 Qwest Insurance: Provide itemization of the incurred costs by type of insurance			8 28	08/06/04		0
UT1-8 8 29	UT1 5-16 Att A 940000 Other Income: Provide itemization of the transactions/categories of income recorded			8 29	08/06/04	08/18/04	12
UT1-8 8 30	UT1 5-16 Att A 940200 Gain on Sale of Company: Provide itemization of transactions recorded			8 30	08/06/04	08/18/04	12
UT1-8 8 31	UT1 2-18,2-19,5-16 Att A 800000-800021 Advertising: Provide recon of charges on QSC books into amts in 2-18,2-19 Att A			8 31	08/06/04		0
UT1-8 8 32	UT1 4-29 Att A: Provide breakdown of the 48E Contracted Svcs-QSC Headquarters amount shown prior to application of 20% allocation fac			8 32	08/06/04		0
UT1-8 8 33	UT1 3-34: Explain the basis of pricing for QC office space and furniture "assigned to QIT" and provide details re: re-inventory of data center			8 33	08/06/04		0
UT1-8 8 34	UT1 3-34 f&g: Explain/provide supporting documentation for increased level of wholesale operator services revenue			8 34	08/06/04		0
UT1-8 8 35	UT1 3-34 g: Explain/provide supporting documentation for increased level of Marketing and Sales Services revenues			8 35	08/06/04		0
UT1-8 8 36	UT1 1-31 Incent Comp: Do the plans identified as the "Bonus Plan" and the "Bonus Award" represent the different names for the same plan			8 36	08/06/04		0
UT1-8 8 37	UT1 4-5 Payroll: Confirm whether the ref to "expenditure codes" is equivalent to "EXTC" as listed in the response to UT1 2-1 Att A			8 37	08/06/04	08/20/04	14
UT1-8 8 38	UT1 4-5 Payroll: Explain why Qwest paid no bonus awards in 2002 and provide a copy of any related documentation			8 38	08/06/04		0
UT1-8 8 39	UT1 4-5 Payroll: Provide a copy of SAB 101 and any correspondence between the Co and the SEC regarding this bulletin			8 39	08/06/04		0
UT1-8 8 40	UT1 4-5 Payroll: Explain why the expense amortization is offset by recording revenues			8 40	08/06/04		0
UT1-8 8 41	UT1 1-6S1 Headcounts: Explain the process used to determine equivalent headcounts	C Hardcopy Att 8/31	Y	8 41	08/06/04	08/30/04	24
UT1-8 8 42	Grate pg. 92 UT1 2-22 Headcounts: Was Co surprised/alarmed by the low coefficient produced by the Hardcopy Att 8/31		Y	8 42	08/06/04	08/30/04	24
UT1-8 8 43	UT1 1-6 CAM: Has FCC CAM been redacted or had data removed from official CAM filed with the FCC?			8 43	08/06/04	08/20/04	14
UT1-8 8 44	UT1 5-13S1 Att B: Provide an est of the total QSC \$ that were allocated among affiliates based upon C No Hardcopy Att		cd only	8 44	08/06/04	08/20/04	14
UT1-8 8 45	UT1 5-13S1 Att B: Explain/quantify each of the adjs applied to the raw fin/stat data used to determine each QSC relative-sized based allocat			8 45	08/06/04		0
UT1-8 8 46	UT1 5-13S1 Att B: Provide a side by side comparison of each of the QSC relative-size-based allocation factors employed to allocate costs in			8 46	08/06/04		0
UT1-8 8 47	UT1 4-32 Att B: Explain procedures employed and provide calc for each listed "2003 & 2004 Billing R C No Hardcopy Att		cd only	8 47	08/06/04	08/30/04	24
UT1-8 8 48	Explain treatment of listed types of costs such as "regular wage costs"	C Hardcopy Att 8/31	Y	8 48	08/06/04	08/30/04	24
UT1-8 8 49	UT1 1-21 Att B: Provide for each QSC line item with charges in "AZ Intrastate FCC Reg" Col > \$50,000 Ref 2-2, 1-20			8 49	08/06/04	08/30/04	24
UT1-8 8 50	UT1 1-21 Att B: Provide revised electronic spreadsheet indicating for each QSC line item listed information			8 50	08/06/04		0
UT1-9 9 1	UT1 4-6 Prop Tax: Explain the reference to "Current estimate of taxes" related to 04 valuation			9 1	08/11/04	08/23/04	12
UT1-9 9 2	UT1 1-31 Incent Comp: Did the Co record any incentive plan accrual entries in 2002? Any true-up entries in 2003?			9 2	08/11/04		0
UT1-9 9 3	UT1 1-31 Incent Comp: Provide amt of Qwest Corp monthly incentive plan costs directly assigned/allocated to AZ intrastate			9 3	08/11/04		0
UT1-9 9 4	UT1 2-24/4-5 Payroll: Clarify if both versions include "direct to state and any headquarter or centralized prorate allocations to the state of AZ"			9 4	08/11/04		0
UT1-9 9 5	UT1 1-13/Interface -1990 Dereg-B&C: Explain why total of FCC dereg products in 1-13 do not tie to l C Hardcopy Att 9/1		Y	9 5	08/11/04	09/01/04	21
UT1-9 9 6	UT1 1-13 FCC Dereg: Jan 01-Dec03 Did Co revise the prices charged for its individual FCC deregulated service offerings?			9 6	08/11/04		0
UT1-9 9 7	UT1 1-13 FCC Dereg: During 2004, Has the Co revised the prices charged for its individual FCC deregulated service offerings?			9 7	08/11/04		0
UT1-9 9 8	UT1 1-9/1-13 FCC Dereg: "Planning for Enhanced Services" - Identify each nonreg service included in "planning" category			9 8	08/11/04		0
UT1-9 9 9	UT1 1-9/1-13 FCC Dereg: Identify/describe Co plans to improve the fin results of any FCC dereg service by increasing the price of service of			9 9	08/11/04		0
UT1-9 9 10	UT1 3-36 B&C to QW: Explain whether or not the "Act Rev" in Accl. 5270 were normalized for price changes such as a new contract with QW			9 10	08/11/04		0
UT1-9 9 11	UT1 4-6/6-8 AZ Pub Affairs Personnel: For each position, provide number of hours and related wage/benefit charged			9 11	08/11/04		0
UT1-9 9 12	UT1 6-10/7-4 Ad Cost: State with specificity how Qwest Services Corp does track and manage advertising costs			9 12	08/11/04		0
UT1-9 9 13	Identify/describe each of the local/statewide events planned, funded and coordinated by Qwest or AZ Public Affairs Org during test period			9 13	08/11/04		0
UT1-9 9 14	Does Co maintain any records associated w/ leg activities, its assessment of pending legislation or position on legislative matters at the Sta			9 14	08/11/04		0
UT1-9 9 15	Does Co maintain any records associated w/ leg activities, its assessment of pending legislation or position on legislative matters at the Fed			9 15	08/11/04		0

DR No.	DESCRIPTION	CODE	Disc	DR Set No.	DATE		LAG DAYS
					ISSUED	RECEIVED	
UTI-9 9 16	Grate pg. 130/UTI 1-13 FCC Dereg: Provide a listing of each FCC Dereg service offered in AZ			9 16	08/11/04		0
UTI-9 9 17	Grate pg. 130/UTI 1-13 FCC Dereg: Subsequent to 93 case, has Co petitioned the Comm to address how to handle services dereg by FCC			9 17	08/11/04	08/01/04	21
UTI-9 9 18	Grate pg. 131 FCC Dereg: Was it his intent to express his opinions or should testimony be construed as legal opinion?			9 18	08/11/04	08/01/04	21
UTI-9 9 19	UTI 5-4 Contract Dispute: Describe status of Chandler and Scottsdale contract disputes			9 19	08/11/04		0
UTI-9 9 20	August 6 Dow Jones new release: Explain tax strategy at issue and quantify the recorded tax benefits recorded initially then reversed			9 20	08/11/04		0
UTI-10 10 1	UTI 4-18 Salary lag: State the approx % of pr disbursements that are direct deposit for employees such that disbursement float is zero			10 1	08/11/04		0
UTI-10 10 2	UTI 4-15 ACC Assessment: Provide a breakdown of this amount by FCC Sub-act for 2002	C No Hardcopy Att	cd only	10 2	08/11/04	08/20/04	9
UTI-10 10 3	Explain which if any of the 3 AZ Price Cap rev "baskets" include FCC dereg service volumes and rev No Hardcopy Att	cd only		10 3	08/11/04	08/23/04	12
UTI-10 10 4	Explain Qwest's actions to establish a TSP program for ensuring telecom lines critical for nation's h C Hardcopy Att 9/1	Y		10 4	08/11/04	08/01/04	21
UTI-10 10 5	UTI 4-20 Benefits Lag: Provide a further breakdown of the \$258,376,422 amount on lead lag worksheet 25 for insurance costs among vario			10 5	08/11/04		0
UTI-10 10 6	Provide most current analysis of benefit lag days from FCC lead lag studies			10 6	08/11/04		0
UTI-10 10 7	UTI 4-33 c QSC Billings: Provide copies of analyses used to identify the noted changes in QSC expense levels			10 7	08/11/04		0
UTI-10 10 8	PFN-01 UTI 2-5S1 OOP: Explain/quantify any additional adj that would be required to exclude oop trans related to FCC dereg services inclu			10 8	08/11/04		0
UTI-10 10 9	UTI 3-16 a: Explain approach used to determine cost of capital for states that are not Rate of Return regulated			10 9	08/11/04	08/23/04	12
UTI-11 11 1	UTI 7-14 Att A: Explain the extent to which rates charged are based on cost of service, competitive pricing or customer negotiations			11 1	08/19/04		0
UTI-11 11 2	Revised PFN-03 wp Uncollectibles-Revenue_Annualization2.xls: Provide supporting documentation for listed entries			11 2	08/19/04		0
UTI-11 11 3	Provide data needed to analyze uncollectible provisions and reserves for listed categories for uncollectible acctg that is segregated			11 3	08/19/04		0
UTI-11 11 4	Explain the Co acctg procedures for uncollectible rev associated w/ and-user accts and carrier access accounts			11 4	08/19/04		0
UTI-11 11 5	UTI 2-6S1 Rev PFN-03 wps: Explain the derivation of each price change amount now input in revised Co adj wps			11 5	08/19/04		0
UTI-11 11 6	UTI 2-6S1 Rev PFN-03 wps: Explain how the rev impact amts in PFN-02 can be reconciled to amounts in PFN-03			11 6	08/19/04		0
UTI-11 11 7	UTI 2-6S1 Rev PFN-03 wps: Provide updated access line stat data for months subsequent to Dec 03			11 7	08/19/04		0
UTI-11 11 8	UTI 2-6S1 Rev PFN-03 wps: What are the known causes for revisions to annualized Dir Assis Rev in Co PFN-03?			11 8	08/19/04		0
UTI-11 11 9	UTI 2-6S1 Rev PFN-03 wps: List the revenue accts where the "driver" in Co adj was only the Dec 03 volume statistic			11 9	08/19/04		0
UTI-11 11 10	UTI 2-6S1 Rev PFN-03 wps: Explain why calculated annualization adjs associated w/ listed nonrev accts are not posted			11 10	08/19/04		0
UTI-11 11 11	UTI 7-14, UTI 2-6 Misc Rev: Explain why proposed annualization of B&C rev is a downward adj			11 11	08/19/04		0
UTI-11 11 12	UTI 7-14 Att A: Provide calc of annualized rev impact of each B&C price change			11 12	08/19/04		0
UTI-11 11 13	Provide for 00-02 and test year actual Directors/Officers Liab Ins exp on total QCII consolidated basis			11 13	08/19/04		0
UTI-11 11 14	Provide breakdown of QCII consolidated income tax exp and cash payments to IRS for 02-03			11 14	08/19/04		0
UTI-11 11 15	UTI 4-22: Provide an updated lag day study for "misc vouchers" to replace prior study from 1993			11 15	08/19/04		0
UTI-11 11 16	UTI 4-21: Provide an updated lag day study for "direct rent" to replace prior study from 1994			11 16	08/19/04		0
UTI-11 11 17	ARMIS 43-02 Table 1-7: Explain activities undertaken by listed law firms			11 17	08/19/04		0
UTI-11 11 18	UTI 7-14 Att A UTI 2-6 Misc Rev: Confirm that no pricing changes occurred with respect to services since Jan 01			11 18	08/19/04		0
UTI-11 11 19	UTI 2-6S1 Rev PFN-03 wps Misc Rev: Confirm adj increasing Acct. 5240.5 by approx \$7 million but don't include in PFN-03			11 19	08/19/04		0
UTI-11 11 20	UTI 7-14 UTI 2-6 PFN-03 wps Misc Rev: Explain the changes that began booking Acct. 5240.53 only in June 02 and subsequent months			11 20	08/19/04		0
UTI-11 11 21	UTI 7-14 UTI 2-6 PFN-03 wps Misc Rev: Explain why Acct 5240.53 is annualized using Residential Primary Line driver that exhibits declin			11 21	08/19/04		0
UTI-11 11 22	Provide stat info for each month Jan 01-June 04 for unbundled and rebundled services included in each of the subaccts in 5240.53xxx			11 22	08/19/04		0
UTI-11 11 23	UTI 7-14 UTI 2-6 PFN-03 wps Misc Rev: Provide copies of entries impacting Acct. 5262.1			11 23	08/19/04		0
UTI-11 11 24	Identify causes for unusual amount in Acct 5264.31 and provide copies of entries			11 24	08/19/04		0
UTI-11 11 25	UTI 2-6 Rev PFN-03 wps Misc Rev Acct. 5264.9 and PFN-01: Explain inconsistency of not including accrual			11 25	08/19/04		0
UTI-11 11 26	R14-103 pg. 121 "Factors": Provide a recon of total State vs. Intrastate Misc rev by detailed sub-acct			11 26	08/19/04		0
UTI-12 12 1	UTI 2-6S1 Rev PFN-03 wps Access Rev: Explain where Co filing annualizes rev impact of rate adj to state access rev			12 1	08/23/04		0
UTI-12 12 2	UTI 5-2 UTI 2-6S1 MOU data: Explain why MOU info for Jan-Jul 01 don't tie to UTI 5-2			12 2	08/23/04		0
UTI-12 12 3	UTI 6-8 UTI 2-6S1: Explain if Qwest intended to completely remove the BARTONL Activity 390 entry rather than pro-rating it			12 3	08/23/04		0
UTI-12 12 4	PFN-08 UTI 1-31 Incent comp: Explain why 03 bonus plan was on consolidated QCI fin targets rather than QC			12 4	08/23/04		0
UTI-12 12 5	PFN-08 UTI 1-31 Incent comp: Explain/reconcile diff between unadj net income pg. 3 Att F with pgs. 34,75 of 03 10-K			12 5	08/23/04		0
UTI-12 12 6	PFN-08 UTI 1-31 Incent comp pgs. 3,4 of Att F: Provide detailed explanation of facts of each adjusting item			12 6	08/23/04		0
UTI-12 12 7	PFN-08 UTI 1-31 Incent comp: Provide amt of incent plan costs recorded in 01 and actual bonus plan payout in 02 for 01 plan year			12 7	08/23/04		0
UTI-12 12 8	UTI 1-31 Incent comp: Provide copy of final 2002 assessment comparable to 2003 Bonus Calc			12 8	08/23/04		0
UTI-12 12 9	PFN-08 UTI 1-31 Att F Incent comp: Explain creation of pool and how the total pool amount is determined			12 9	08/23/04		0
UTI-12 12 10	PFN-08 UTI 1-31 Incent comp Att F: Provide additional info supporting the development of the business unit targets and actual results			12 10	08/23/04		0
UTI-12 12 11	PFN-08 UTI 1-31 Att F Incent comp: For two employee positions, provide specimen documents showing how 03 Bonus plan resulted in act			12 11	08/23/04		0
UTI-12 12 12	UTI 2-6S1 PFN-03 Acct. 5060.113 CO Features usage: Explain why Intrastate Toll Messages are thought to be a "driver"			12 12	08/23/04		0
UTI-12 12 13	UTI 2-6S1 PFN-03 Acct. 5060.32 DA Rev-Res: Explain how Co adj to annualize Res DA rev can be reasonable			12 13	08/23/04		0
UTI-12 12 14	UTI 1-8 Att A Acct. 5001.421 Basic Area Rev, Resale, Res Recurring: Explain the nature of transactions recorded in the account			12 14	08/23/04		0
UTI-12 12 15	UTI 1-8 Att A Acct. 5060.162 Other Local Service, CO Features, Local Routing Service, Usage Charges: Explain nature of transactions			12 15	08/23/04		0
UTI-12 12 16	UTI 1-8 Att A Acct. 5001.411 Basic Area Rev, Resale, Bus Recurring: Explain nature of transactions recorded in the account			12 16	08/23/04		0
UTI-12 12 17	UTI 1-8 Att A Acct. 5060.17 Other Local Service, CO Features, Sales to Affiliates: Explain nature of transactions recorded in the account			12 17	08/23/04		0
UTI-12 12 18	UTI 1-8 Att A Acct. 5060.43 Other Local Service, CO Features, Radio Common Carrier/Cellular, Usage Charges: Explain nature of transac			12 18	08/23/04		0
UTI-12 12 19	UTI 1-8 Att A Acct. 5060.8 Other Local Service, CO Features, Local Rev Activity for SAB 101: Explain nature of transactions recorded in th			12 19	08/23/04		0
UTI-12 12 20	UTI 1-8 Att A Acct. 5060.91 Other Local Service, CO Features, Other Local Exch Business: Explain nature of transactions recorded in the a			12 20	08/23/04		0
UTI-13 13 1	UTI 1-31 PFN-08 Incent Comp: With continuing losses, would any incent pmt been made for 2003 absent sale of Dex West?			13 1	09/01/04		0
UTI-13 13 2	UTI 1-5, 8-41 Emp levels: 1-5 Att A do headcounts represent values at end of each qtr or avg headcount during each qtr?			13 2	09/01/04		0
UTI-13 13 3	UTI 8-41 Emp levels: Provide the amt of the one-time salary charges removed from both Qwest and AZ emts by month			13 3	09/01/04		0
UTI-13 13 4	UTI 8-41, 2-24 Emp levels: Do total AZ monthly "incurred salaries" in 8-41 represent only emts coded to EXTC 1117 Explain			13 4	09/01/04		0
UTI-13 13 5	PFN-08 UTI 2-11 Call ctr corr: Provide copy of supporting spreadsheet the "Call_Ctrr_Exp.xls"			13 5	09/01/04		0
UTI-13 13 6	UTI 2-11 PFN-09 Call ctr corr: Does siml mean Co is still correcting the processes required to correctly allocate call ctr costs?			13 6	09/01/04		0
UTI-13 13 7	UTI 2-17 De-emphasis of intralATA LD: State with specificity the changes made to QC product promotion activities based upon such evalu			13 7	09/01/04		0
UTI-13 13 8	What reg restraints serve to protect the QC AZ IntralATA toll rev streams from migration to QCC, a nonregulated affiliate?			13 8	09/01/04		0
UTI-13 13 9	Provide the monthly amts of AZ IntralATA toll rev billed to QC customers on behalf of QCC in 03 and 04 to date			13 9	09/01/04		0
UTI-13 13 10	UTI 1-8, Acct. 5060.42: Explain nature of transactions recorded in acct, typical customers served and types of services provided			13 10	09/01/04		0
UTI-13 13 11	UTI 1-8, Acct. 5060.43: Explain nature of transactions recorded in acct, typical customers served and type of services provided			13 11	09/01/04		0
UTI-13 13 12	UTI 1-8, Acct. 5084.xxxx: Explain diff in bal amts between ledger and R14, 1203 pg. 121 of 122			13 12	09/01/04		0

**EXHIBIT**

**F**

LAW OFFICES  
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September 17, 2004

**VIA FACSIMILE AND MAIL**

Maureen A. Scott, Esq.  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Re: Qwest/Renewed Price Regulation Plan; Docket No.: T-01051B-03-0454

Dear Maureen:

I have received your letter dated September 8, 2004 and provide this response. Qwest appreciates Staff's acknowledgment of Qwest's willingness to work with Staff on issues in order to resolve discovery disputes. Unfortunately, the perception that "Staff's discovery has been substantially constrained by the limited time available" is view with which Qwest strongly takes issue and believes to be inaccurate for the reasons described herein.

Qwest disagrees with any characterization of its responsiveness to Staff's discovery in this matter as untimely. As you are well aware, Qwest receives numerous data requests from multiple parties, and not just Staff (*e.g.*, RUCO, DOD, AT&T, etc.). Both Staff and its testifying experts (*i.e.*, William Dunkel & Associates and Utilitech, Inc.) independently serve Qwest with one or more of their own sets of data requests. For example, it is not unusual for Qwest to receive sets of data requests from Staff, Dunkel and Utilitech all on the same day and/or consecutively so that the stream of new discovery is not only constant, but almost daily. Service of such requests continues to occur at the close of the business day and almost every Friday, effectively reducing what is already a short response time. To date Qwest has provided approximately 1,444 responses to Staff's various requests and their sub-parts; Staff and its consultants have jointly served Qwest with on average 22 data requests per working day (three per hour) since mid-June when discovery commenced in this docket.<sup>1</sup> Frankly, at this time,

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<sup>1</sup> Qwest also disagrees with the view that a comparison to the discovery conducted by Staff and its consultants in Qwest's 1999 rate case is not "valid." That rate case continued for approximately two years; during the mid-way point, Qwest was required to "update" its filings through the use of a new test year. At that juncture, discovery recommenced and revised testimony was filed, as if a new rate case had

# FENNEMORE CRAIG

Timothy Sabo, Esq.  
September 17, 2004  
Page 2

Staff's discovery does not appear to be nearing any sort of conclusion as one might reasonably expect given the procedural schedule currently set in this matter.

When able to do so, Qwest will continue to respond to Staff's data requests early. Please understand that special requests concerning the manner in which Staff prefers responses be provided adds to this response time.<sup>2</sup> In addition, it is not uncommon for Staff to issue multiple data requests for the same information or to ask for information previously in testimony or otherwise (e.g., STF 17-007, STF 27-01, UTI 11-009). Qwest now finds itself frequently responding to data requests by pointing out that the information requested has been previously provided and identifying the prior request/response. Additionally, each data request often contains numerous subparts, which would reasonably be considered "separate requests" under the Arizona Rule of Civil Procedure. For example, in Dunkel's 12<sup>th</sup> set of data request, No. 12-001 has subparts (a) through (x) and No. 12-009 has subparts (a) through (t); in other words, what facially appears to be ten requests in this set actually contains 60 separate questions. Further, Staff often requests information that is outside of the test year or that relates to Qwest services outside of Arizona. On some occasions, Qwest will ask Staff to review a request to determine whether the scope of the request can be narrowed or terms therein clarified, so as to focus on relevant information or data. Staff will later complain that it has not received a response to the data request, despite the fact that Staff has not responded to Qwest's request for a clarification or reconsideration of the scope of the information sought of by Staff.

As discussed in my prior correspondence of July 19, 2004, discovery demands in rate cases such as this one exceed the course of discovery conducted in even the most complex of Arizona civil litigation. For example, a party typically is not permitted to serve discovery from multiple sources (*i.e.*, its legal counsel, its retained testifying experts, etc.) and to serve an apparently unlimited number of data requests (with subparts) as issued by Staff and its consultants. Limits on the scope and amount of discovery to be propounded, and reasonable time frames for responding to extensive discovery from multiple parties are also customary in complex litigation. Such litigation reforms, as originally advanced by Justice Zlacket and currently in the Committee for Complex Litigation, do not inhibit a party from obtaining the

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begun. Qwest hopes that Staff would understand the volume of discovery in this docket should not be to approximate what occurred in 1999. Staff has already received as many responses to its data requests, if one includes subparts. Even if one accepts Staff's calculations in comparing the number of data requests served in 1999 (1,495) and this docket (661), Staff is rapidly approaching the half-way mark of what, in 1999 docket, essentially amounted to two rates cases rolled up into one.

<sup>2</sup> For example, on multiple occasions, Staff and its consultants have requested highly confidential, CLEC-specific information, which requires the CLEC's authorization prior to release. Although Qwest has asked for such releases, it cannot be viewed as being non-responsive or tardy when authorizations are untimely or not received at all. Staff will also request that certain information be provided in a particular format, only to subsequently request that Qwest produce the same information in a different format, not due to any deficiency in the first response, but simply because Staff has changed its mind concerning its preference (e.g. STF 25-001).

# FENNEMORE CRAIG

Timothy Sabo, Esq.  
September 17, 2004  
Page 3

information necessary to present his or her case in a timely manner.<sup>3</sup> Responses to interrogatories that are provided even within the 19-day "average" of which Utilitech complains would be considered accelerated and expeditious in any state or federal court.

As indicated previously, Qwest will continue to respond to all requests for information, irrespective of whether such requests came from Staff or its experts. Qwest also will continue to acquiesce in special requests (e.g., multiple copies, particular formats, etc.) at no charge to the requesting party. Qwest has not sought any limitation on the amount or timing of discovery requests it receives from multiple parties. To date, Qwest has answered approximately 87% of all data requested issued directly by Staff and 70 % of those issued by Dunkel within the prescribed time. There are only two outstanding data request responses due directly to Staff and 47 to Dunkel. Isolating Utilitech's data requests does not fairly depict the responsiveness of Qwest to all Staff discovery in this docket.

Qwest will, of course, attempt to address Staff's "concerns" regarding the timeliness of its responses to Utilitech's data requests to improve its response time. However, under these circumstances, Qwest believes that the manner in which discovery responses have been provided to date should *in no way* "adversely affect[ ] the Staff's ability" to present its case in a timely manner to the Commission. As Qwest has consistently stated on the record, the intent and actual provisions of the Price Cap Plan reflect what should have been a streamlined process in arriving at the Plan's renewal or modification, and not a full rate case. In resolving differences among the parties on this issue, the Commission made clear that this docket should be able to reach final determination in a significantly shorter period than the traditional rate case and that Staff should make critical determinations concerning the amount of information to be required of Qwest, particularly in light of the Price Cap Plan's express limitations on the amount of information to be filed in connection with any proposed modification or renewal of the Plan. This does not translate to trying to conduct all of the discovery typically propounded in a two-year rate case into six months.

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<sup>3</sup> See Daniel J. McAuliffe, *Arizona Civil Rules Handbook* (2004 ed) at 368 (discussing Rule 33.1's presumptive limits and noting that interrogatories are "generally considered to be one of the most overused and abused forms of civil discovery."). See also, *In the Matter of: Authorizing A Complex Civil Litigation Pilot Program Applicable In Maricopa County*, Administrative Order No. 2002-107 (Ariz. Sup. Ct. Nov. 22, 2002) (considering, in part, the adoption of a new Ariz. R. Civ. P. 16.3 to address the management of complex civil litigation, including the setting of limits on discovery). "Rule 16.3 is intended to supplement the Arizona Rules of Civil Procedure in a manner that will provide judges and litigants with appropriate procedural mechanisms for the fair, efficient and expeditious management of discovery...and other aspects of complex civil litigation. Other than as specifically set forth, cases assigned to the complex litigation program are not exempt from any normally applicable rule of procedure, except to the extent the trial judge may order otherwise." *Id.* at Appendix A6-7. "In those counties in which a complex civil litigation program has been established, a "complex case" is a civil action that requires continuous judicial management to avoid placing unnecessary burdens on the court or the litigants and to expedite the case, keep costs reasonable, and promote an effective decision making process by the court, the parties, and counsel." *Id.* at Appendix A1.

# FENNEMORE CRAIG

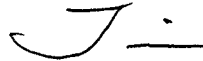
Timothy Sabo, Esq.  
September 17, 2004  
Page 4

Although Qwest has repeatedly made clear to Staff its concerns about the volume and scope of discovery in this matter, Qwest has continued to use its best efforts to respond to the discovery of Staff and all other parties. At least one Commissioner has publicly expressed concerns over the costs of rate proceedings to utilities and their ratepayers. A significant cause of these increasing costs is the need to respond to the unlimited and overly broad discovery undertaken in a docket such as this.

If you have any further questions or comments, please feel free to contact me.

Sincerely,

FENNEMORE CRAIG

A handwritten signature in dark ink, appearing to be 'T. Berg', with a stylized flourish at the end.

Timothy Berg

# EXHIBIT

# G



Dunkel Requests	Due Date Per Staff's Exhibit B	Actual Date Received	Actual Due Date Per Procedural Order**	Days Late Per Staff Exhibit B*	Actual Days Late Through 9-15-04	Status	Notes
7.1	8/25/2004	8/18/2004	8/30/2004	21	16	Expect to serve by 10-1-04	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
7.2	8/25/2004	8/18/2004	8/30/2004	21	16	Expect to serve by 10-1-04	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
7.3	8/25/2004	8/18/2004	8/30/2004	21	16	Expect to serve by 10-1-04	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
7.4	8/25/2004	8/18/2004	8/30/2004	21	16	Expect to serve by 10-1-04	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
7.6	8/25/2004	8/18/2004	8/30/2004	21	16	Expect to serve by 10-1-04	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
7.7	8/25/2004	8/18/2004	8/30/2004	21	16	Expect to serve by 10-1-04	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
7.8	8/25/2004	8/18/2004	8/30/2004	21	16	Response Provided 9/20/2004	Data requests contained incorrect reference to SGAT. Clarification not received until 9-22-04
8.7	8/27/2004	8/20/2004	8/30/2004	19	16	Response Provided 9-16-04	
8.9	8/27/2004	8/20/2004	8/30/2004	19	16	Response Provided 9-16-04	
8.13	8/27/2004	8/20/2004	8/30/2004	19	16	Expect to serve by 9-27-04	
8.17	8/27/2004	8/20/2004	8/30/2004	19	16	Expect to serve by 9-27-04	
8.18	8/27/2004	8/20/2004	8/30/2004	19	16	Expect to serve by 9-27-04	
8.19	8/27/2004	8/20/2004	8/30/2004	19	16	Expect to serve by 9-27-04	
8.20	8/27/2004	8/20/2004	8/30/2004	19	16	Expect to serve by 9-27-04	
9.5	8/30/2004	8/24/2004	9/3/2004	16	12	Expect to serve by 9-27-04	Set was dated 8-23-04, but not received until 8-24-04
10.8	8/30/2004	8/27/2004	9/7/2004	16	8	Response Provided 9/23/2004	
10.9	8/30/2004	8/27/2004	9/7/2004	16	8	Expect to serve by 9-29-04	
10.11	8/30/2004	8/27/2004	9/7/2004	16	8	Expect to serve by 9-27-04	
10.12	8/30/2004	8/27/2004	9/7/2004	16	8	Response Provided 9/23/2004	
10.15	8/30/2004	8/27/2004	9/7/2004	16	8	Response Provided 9/23/2004	
10.16	8/30/2004	8/27/2004	9/7/2004	16	8	Response Provided 9/20/2004	
11.2	9/3/2004	9/3/2004	9/13/2004	12	2	Expect to serve by 9-27-04	Dunkel sent a clarification to this set on 9-7-04
11.3	9/3/2004	9/3/2004	9/13/2004	12	2	Response Provided 9/20/2004	Dunkel sent a clarification to this set on 9-7-04
11.4	9/3/2004	9/3/2004	9/13/2004	12	2	Response Provided 9/20/2004	Dunkel sent a clarification to this set on 9-7-04
11.5	9/3/2004	9/3/2004	9/13/2004	12	2	Response Provided 9/20/2004	Dunkel sent a clarification to this set on 9-7-04
11.6	9/3/2004	9/3/2004	9/13/2004	12	2	Response Provided 9/23/2004	Dunkel sent a clarification to this set on 9-7-04
11.8	9/3/2004	9/3/2004	9/13/2004	12	2	Expect to serve by 9-27-04	Dunkel sent a clarification to this set on 9-7-04
11.10	9/3/2004	9/3/2004	9/13/2004	12	2	Expect to serve by 10-1-04	Dunkel sent a clarification to this set on 9-7-04
11.11	9/3/2004	9/3/2004	9/13/2004	12	2	Expect to serve by 10-1-04	Dunkel sent a clarification to this set on 9-7-04
11.12	9/3/2004	9/3/2004	9/13/2004	12	2	Response Provided 9/23/2004	Dunkel sent a clarification to this set on 9-7-04

\* For Dunkel Sets 7 through 10, Staff shows the due date as 7 calendar days following the date served, instead of the 10 calendar days provided for under the procedural order. For Dunkel Set 11, Staff's exhibit indicates that the responses were due on the same day we received them, rather than allowing for a 10 day turnaround.

\*\*Requests served on a Wednesday or Thursday would be due on a Saturday or Sunday, under the 10 day timeframe allowed under the procedural order. The compliant due date shown for these requests is the first business day following the 10 day calculated due date.

Utilitech Discovery	Due Date Per Staff Motion	Actual Date Received	Actual Due Date Per Procedural Order	# of Days Staff's Due Date Is Under or (Over) Stated
UTI Set 4	7/1/2004	6/24/2004	7/6/2004	5
UTI Set 6	7/23/2004	7/16/2004	7/26/2004	3
UTI Set 7	8/16/2004	7/30/2004	8/9/2004	(7)
UTI Set 8	8/16/2004	8/6/2004	8/16/2004	-
UTI Set 9	8/17/2004	8/10/2004	8/20/2004	3
UTI Set 10	8/20/2004	8/11/2004	8/23/2004	3
UTI Set 11	8/26/2004	8/19/2004	8/30/2004	4
UTI Set 12	8/31/2004	8/23/2004	9/2/2004	2
UTI Set 13	9/8/2004	9/1/2004	9/13/2004	5
UTI Set 14	9/14/2004	9/3/2004	9/13/2004	(1)